

# **In Work Credit Guide**

## **Chapter 01 – Introduction**

### ***Purpose of this guide***

1. The purpose of this guide is to provide information and instruction on In Work Credit (IWC). It contains both general background information and more detailed instructions on how to administer the credit.
2. If you encounter any problems with this guidance, i.e. you are unable to view text/sections or hyperlinks are not working, please e-mail the guidance owner by selecting 'E-mail Page Owner' heading at the bottom of the intranet page.
3. If you are unable to find an answer to a particular question regarding IWC policy within this guide you must contact the JCP Live Support Advice Line. Do not give the Advice Line number to customers or outside bodies under any circumstances, it is for JCP staff only to raise queries. Details of how to contact them can be found by clicking on the following hyperlink, [Advice Line Home Page](#). When you call the Advice Line, select Option 2 (Labour Market Policy) for all IWC queries.

### ***Overview of IWC***

#### **Features of IWC**

4. IWC is a weekly payment made to eligible customers in the first 52 weeks of work. Customers receive the payment directly from Jobcentre Plus and it is paid in addition to any wages or income from qualifying employment/self employment and other income.
5. IWC is a non-taxable weekly payment of:
  - £40 to lone parents (outside of London)
  - £60 to lone parents living in the London districts
6. It is paid:
  - to eligible customers who commence [suitable employment](#);
  - for a maximum of 52 weeks
  - under the Employment and Training Act (i.e. is not a benefit payment)
  - via Shared Services Purchase to Pay (P2P), Cardiff directly into a bank/building society/Post Office Card Account or by Cheque. See [RM Payment Guidance](#) for further information.
7. IWC is:
  - not assessable for National Insurance (this includes Class 1 and Self Employment) or Working or Child Tax Credit purposes.
  - not treated as income when customers apply for Carers Allowance, Working or Child Tax Credits, Housing Benefit (including Housing Allowance where this is being piloted) or Council Tax Benefit. (Local Authorities have guidance informing them that IWC should not be treated as income – HB Circular A1 and A6 2008)

## Background of IWC

8. IWC has been introduced to help more Lone Parents make the transition from welfare into full time work of at least 16 hours or more a week.
9. It was originally announced in the 2003 Budget and was initially introduced on a pilot basis and went live nationally on the 7<sup>th</sup> April 2008. See [Timeline](#) for further information.
10. Two variants of IWC have also been run as pilots; In Work Credit for Couple parents and In Work Retention Pilot, these pilots have both ended (Couple Parents ended on 31/07/10 and the Retention Pilot ended on 31/06/10).
11. IWC for Couple Parents operates in the following districts:
  - all London districts
  - Bradford
  - Dudley and Sandwell
  - Leicestershire
  - Edinburgh, Lothian and Borders
  - Cardiff and the Vale.
12. The In Work Retention Pilots operate in the following districts:
  - Greater Manchester Central
  - Greater Manchester East and West.

## ***London and non-London Districts – differences in guidance***

13. The following differences between the London and non London Jobcentre Plus Districts must be noted:
  - The rate of IWC in the non-London Districts is £40
  - The rate of IWC in the London Districts is £60 (£40 if claimed prior to 1 July 2007 and subsequently claiming [Balance of Time](#)) £60 is paid to customers living in London districts to recognise the higher cost of living
  - There are differences in the eligibility criteria so there are separate areas of guidance for London and non-London Districts. For more information see [Confirm eligibility in London Districts](#) and [Confirm eligibility in non London Districts](#)

## **Table of IWC Eligibility Criteria**

Criteria	Non-London	London
Dependant child under age 16 in household	Yes	Yes
Available to lone parents	Yes (must be a lone parent on the day they start work)	Yes (must be a lone parent on the day they start work)
Available to couple parents	No	No. Couple parents ceased to be eligible from 31/07/10.
Be in receipt of one of	Income Support	Income Support

these benefits immediately before starting work	JSA (IB) ESA ( <b>only if claimed as a result of LPO and only if claimed for less than 13 weeks immediately before starting work</b> )	JSA (IB) IB or ESA SDA
Appropriate Benefits - one, or a combination of the benefits listed can be claimed in the 52 week period immediately before starting work (up to 5 days break in this period is allowed) but, at the point of starting work, the customer must be in receipt of one of the benefits listed in the box above to qualify for IWC	Income Support JSA (IB) JSA (Cont) ESA ( <b>only if claimed as a result of LPO</b> ) Training All National Insurance Credits only (not Home Responsibilities Protection HRP) Waiting days	Income Support JSA (IB) JSA (Cont) IB or ESA SDA Carers All Training All National Insurance Credits only (not HRP) Waiting days
Moving into work and being paid for these hours or more per week	16	16
Receive at least National Minimum Wage unless exempt e.g. apprentices, company directors	Yes	Yes
Receiving RTWC	No	No
Weekly amount payable	£40	£60

## Chapter 02 – Awareness, marketing and job roles

### Awareness

14. Any lone parent who contacts Jobcentre Plus to state they are starting work and wish to sign off benefit must be issued with an IWC1.
15. Before issuing the IWC1 to the customer, Jobcentre Plus staff must check they meet IWC eligibility criteria. [Eligibility in London](#) and [Eligibility non-London](#)
16. Customer facing roles and visiting officers should hold copies of leaflets, issuing them to all possible IWC customers. The initiative should be mentioned on all contact to potential IWC customers.
17. An IWC leaflet should be included with all invitations issued regarding Work Focused Interviews (WFIs). This will help ensure that customers are informed about IWC at regular intervals.

18. It is important that customers are informed about IWC at the point when they leave benefit to start work.
19. It will not always be the Personal Adviser who identifies an eligible customer. However it is strongly recommended that any customer identified as eligible for IWC, from whatever source, is referred to a Personal Adviser/IWC Team to ensure that the customer completes the correct paperwork for IWC and any queries they may have are resolved.
20. A customer eligible to IWC may be identified in a number of ways, for example:
  - WFIs
  - Customer contacts BDC to close benefit claim
  - Other contacts
21. If an eligible customer to IWC is identified, they must be given an explanation of IWC and the eligibility criteria.

## ***Marketing***

22. Each District will need to look at their marketing strategies to ensure that eligible customers are aware of IWC.
23. Posters and leaflets on IWC are available in Jobcentre Plus offices and should be used to ensure general awareness.
24. Offices can order the IWC posters and leaflets using Zanzibar. The following lists the products available.

<b>IWC England information leaflet</b>	<b>MKT1001</b>
<b>IWC bilingual (Welsh and English) information leaflet</b>	<b>MKT1001W</b>
<b>IWC A4 England poster</b>	<b>MKT1002</b>
<b>IWC A4 bilingual (English and Welsh) poster</b>	<b>MKT1002W</b>

## ***Job roles***

### **Personal Advisers**

25. A Personal Adviser will often be the first person a customer contacts when they are considering starting employment or have already received a job offer. They play a vital role in ensuring the customer is aware of any help and support that is available to ease the transition back into employment.
26. Personal Advisers should ensure that IWC is explained to customers at WFI and Caseload meetings.
27. Personal Advisers should be familiar with the eligibility conditions for IWC and have access to a supply of IWC leaflets and IWC1 application forms.
28. Where they have identified or been informed that a customer is about to start work, they must should undertake eligibility checks to establish if the customer is entitled to IWC and issue an IWC1 application form if appropriate.
29. If they find a customer has claimed IWC within the previous 52 weeks, the customer may be entitled to the Balance of Time of any unclaimed weeks of IWC (i.e. they did not receive all 52 weeks payments because they ceased to claim or changes to their circumstances meant they were no longer entitled).

30. Due to the extra work and checks involved to ensure that the customer receives the correct amount of payments in [Balance of Time](#) cases, it is strongly recommended that Personal Advisers only complete the IWC1 application form with the customer, the RM2 should be completed by the central processing team.
31. If a Personal Adviser is unsure whether a customer is due Balance of Time or a whole new claim to 52 weeks IWC, they must contact the central IWC processing team for their area to check.
32. Personal Advisers should also take steps to ensure the customer's benefit claim is closed if they are eligible for IWC.
33. It should be more noted that there is flexibility built into the IWC process and Districts/Regions will take different action from this point, depending on their own resource allocation.
34. Some areas will require Personal Advisers to approve the IWC1 and complete the RM2 Authorisation for payment and forward to Shared Services, whilst other areas require Personal Advisers to forward the approved IWC1 to a central IWC processing team, where they will take action to ensure the application is checked, confirm eligibility and complete and process the RM2. Advisers must ensure they are familiar with the action they are required to take within their own District.

## **IWC Teams**

35. There are 2 job roles to support IWC, the IWC Officer (band B) and IWC Team Leader (band C). The full job descriptions for these roles can be found in the [Job Roles Catalogue](#).
36. Generally the IWC officer (IWCO) should;
  - check/confirm eligibility
  - process/ terminate payments via RM2/RM3 forms
  - deal with queries from customers / advisory staff
  - issue letters to customers
  - update LMS
  - action change of circumstances to establish impact on IWC payments/eligibility; and
  - support the review process by issuing letters and checking evidence to establish continued eligibility.
37. In smaller sites this role may not be a full time role and it is possible to combine with other band B activities, e.g. DASO.
38. Generally the IWC team Leader (IWCTL) should manage the IWCO. Duties include;
  - authorising payments **within 24 hours** by checking forms are fully completed
  - confirming eligibility
  - checking payment details (e.g. bank details on the bank wizard).
  - advising relevant staff if payment cannot be authorised and any remedial required
  - dealing with complex cases (e.g. self employment, late evidence cases)
  - providing advice / guidance to IWCO's / Jobcentre Plus staff
  - ensuring IWC is recorded correctly on LMS,
  - managing the mandatory review process; and

- ensuring that management checks are undertaken.
39. In smaller sites the IWCTL may not be a full time role. In these cases the IWCTL role may be combined with other Band C activities, e.g. RTWC Team Leader, CETL.
40. In addition, depending on local arrangements, some of the IWCO/IWCTL duties may be undertaken by the Personal Adviser. Personal Advisers should also ensure that eligible customers are aware of IWC.

### **Benefit Delivery Centres**

41. All Benefit Delivery Centre staff must have an awareness of IWC. BDC's are often the first point of contact for customers who are signing off benefits and may be eligible for IWC. As such all BDC customer facing roles need to understand the IWC eligibility conditions.
42. BDC's are not expected to deal with complex IWC queries or complete IWC applications.
43. If a lone parent informs you they are starting work, explain the main features of IWC – for further information [see the features of IWC](#) and [IWC Overview](#)
44. BDC's will need to have a stock of IWC leaflets and IWC1 application forms to issue to customers. These can be ordered via Zanzibar. For more information on form IWC1 see [IWC forms](#).

### **Customer reports Change of Circumstances (starting work)**

45. Benefit Delivery Officers (BDOs) are not responsible for undertaking full IWC eligibility checks and must inform the customer that these will be undertaken and the customer will be informed by the Jobcentre when the checks have been completed.
46. If a lone parent benefit customer (who may be eligible for IWC) reports a Change of Circumstances (starting work) the BDC should take the following action:

Step	Action
1	BDO establishes that employment will mean the customer's benefit will cease.
2	BDO checks legacy system and establishes customer is Lone Parent and has been in receipt of a qualifying (insert hyperlink to qualifying benefit section of guidance) benefit for a continuous period of 52 weeks or more.
3	BDO identifies that customer could be entitled to IWC and informs customer.
4	Explain the main features of IWC to customer and inform them that an IWC leaflet and IWC1 application form (check that they have not already received an IWC1 from the Jobcentre) will be sent to their home address which they must complete and return to their local Jobcentre within 5 weeks of commencing work.
5	BDO takes legacy action to close customer's benefit claim.
6	BDO completes IWC1 date of issue box and date due for return (5 weeks from date of starting work), and puts the customers local Jobcentre address in the office address section and posts the IWC1

	and IWC leaflet to customer.
7	BDO to email relevant Jobcentre Plus office and mark the e-mail for the attention of DASO team, stating 'Potential IWC customer, IWC1 issued, please make PA appointment. Benefit claim has been closed.'
8	ES40's should be returned to Jobcentres, however, if a customer does send their completed ES40 into a BDC, the BDO will need to establish whether they may be entitled to IWC by checking legacy systems to establish if they have been claiming JSA for a continuous period of 52 weeks or more. If they establish customer may be entitled to IWC they must take action outlined above.

### **Customer Contact Centres**

47. All Contact Centre staff must have an awareness of IWC. You are not expected to deal with IWC queries or applications.
48. Contact Centre staff play a vital role in identifying existing IWC customers who wish to make a new claim to benefit. IWC must cease when a customer makes a new/rapid reclaim to benefit (JSA, IS, IB, ESA or Maternity Benefits) to avoid overpayments of IWC.

## **Chapter 03 – Establishing Customer Eligibility**

### ***Customers living outside London***

#### **Confirming eligibility in Non – London Districts**

**Note: IWC is only available to Lone Parents. Before the payment of IWC can be considered it must be confirmed that the following qualifying criteria have been met by the customer**

49. To be eligible for IWC the customer must:
- Have a dependant child/children in the household
  - Be in receipt of either Income Support, Jobseekers Allowance (IB) **or** ESA (of a period less than 13 weeks and only if claimed as a result of LPO) immediately prior to starting work
  - Be moving into [remunerative](#) work
  - Is not currently in receipt of [RTWC](#)
  - Make their application within 5 calendar weeks from the job start date
  - Satisfy the 52 week qualifying period / qualifying benefit condition
50. If any one of the criteria is not met, then IWC cannot be considered for the customer.
51. The customer must be a lone parent on the day they start work to qualify for IWC. If they move in with a partner or a partner moves in with them either prior to or on the same day they start work, IWC will not payable.

#### **Dependent Child/Children in the Household**

52. To be considered for IWC the customer must:
- have a dependent child or children living in the household,
  - be legally responsible for at least one child who is less than 16 years old on the date that the customer starts work.



53. To confirm, [check relevant legacy systems](#) and verify that dependant child/children are living in the household.
54. Note in LMS Conversations that verification that the customer has dependent child(ren) – aged less than 16 - has been carried out.

### **Moving into Work**

55. To be considered for IWC the customer must:
- be moving into employment/self-employment; and
  - expect the employment to last for at least 5 weeks; and
  - receive a wage/salary that meets the National Minimum Wage (unless an exemption applies). Please refer to the Vacancy Taking Guide [NMW and Self-employment](#) for further information; and
  - be moving into employment of at least 16 paid hours a week or working at least 16 hours per week on a self employed basis.
56. Further guidance on suitable employment can be found by selecting the following hyperlink [Establishing Employment Eligibility](#).

### **52 week qualifying period / qualifying benefits**

57. The qualifying period is the 52 weeks immediately before the date the customer starts work.
58. Within the qualifying period the customer can be in receipt of any of the benefits listed below but IS, JSA (IB) or ESA (if claimed as a result of LPO and claimed for a period of less than 13 weeks) must be in payment at the point immediately before starting work. The 52 week qualifying period can be made up of periods on different benefits, (e.g. a customer may move from IS to JSA or ESA during the period, [see example](#))
- Income Support (IS)
  - Income-based Jobseeker's Allowance (JSA(IB))
  - Contribution Based Jobseeker's Allowance (JSA(Cont)), or
  - Employment Support Allowance (ESA) if claimed as a result of LPO (effective from 24 November 2008 following the introduction of Lone Parent Obligations).
59. ESA can only be counted as part of the 52 week qualifying period if the lone parent has lost entitlement to IS because of the Lone Parent Obligation changes, (where their youngest child is 10 and over from October 2009 and 7 and over from October 2010). If the customer has been in receipt of ESA during the qualifying period but it was not because they were moved off IS due to LPO, the period of ESA cannot be counted towards the 52 week qualifying benefits.
60. ESA claimed, as a result of LPO, for a period of 13 weeks or more immediately before starting work, is not counted towards the qualifying period for IWC. This is because customers claiming ESA for 13 weeks or more have the existing provision of financial support provided by the Return to Work Credit (RTWC) and this should be claimed in these instances.
61. Please be aware that customers will not have a choice to claim IWC or RTWC. RTWC is the credit that must be claimed by those customers who have received ESA for a period of 13 weeks or more prior to entering work. IWC will only be available to those Lone Parents who have had a



period of less than 13 weeks on ESA as a direct result of LPO immediately before entering work. This is to ensure that those Lone Parents do not miss out on the financial assistance provided by a credit when entering work.

62. Customers may have lost entitlement to IS due to LPO but initially moved onto JSA rather than ESA. Later they may have a period of sickness and move onto ESA before returning to JSA again. This period on ESA can also be counted towards the qualifying period as it is a direct result of LPO.
63. JSA (Cont) can be counted as part of the 52 week qualifying benefit but the customer must be in receipt of IS or JSA (IB) or ESA (if in receipt due to direct result of LPO and claimed for less than 13 weeks) at the point immediately before starting work.
64. The IWC customer could also be the ex-partner of an IS or JSA customer and these periods of IS or JSA can be included towards the 52 weeks qualifying period (as long as the customer was being claimed for as part of the claim).
65. From 15 June 2009 benefit waiting days, periods of Training Allowance and credit only claims (JSA, ESA or IB but not IS as Home Responsibilities Protection applies) will count towards the 52 week qualifying period but the customer must be in receipt of either (IS or JSA(IB)) immediately before they start work.
66. Maternity Allowance, SSP and SMP do not count towards the 52 week qualifying period.
67. A customer who has spent a period on Jury Service within the 52 week qualifying period, and would have been entitled to a qualifying benefit had they not been on Jury Service, can count this period spent on Jury Service as part of the IWC qualifying period.

#### **Example of customer who has been in receipt of different benefits during the qualifying period**

- Sheila has been a lone parent in receipt of Income Support since 28/07/08.
- Sheila's claim to IS ended on her youngest son's 10<sup>th</sup> birthday (under LPO) and as she was not fit for work, claimed Employment Support Allowance. ESA has been in payment to Sheila since 10/11/09.
- Sheila claims JSA from 04/01/10 as she is now fit for work
- Sheila starts work of 20 hours per week on 28/01/10, her JSA claim is closed from 27/01/10.
- Sheila has received IS, ESA and JSA in the 52 week qualifying period and therefore satisfies the qualifying benefit eligibility rule.

#### **Example of customer who has claimed ESA during 52 week qualifying period and qualifies for IWC**

- Mary has been in receipt of IS as a lone parent since February 2008.
- Mary lost entitlement to IS due to LPO on 04/08/11 on her youngest child's 7<sup>th</sup> birthday.

- As a result of this and because Mary was signed off sick, she claimed ESA from 05/08/11.
- Mary was able to find a job and started work on 26/09/11.
- Mary satisfies the 52 week qualifying benefit rule because she has been in receipt of an appropriate/combination of appropriate benefits for the 52 weeks prior to starting work ( IS and ESA)
- Mary satisfies the 'benefits must be in receipt of immediately prior to starting work' rule as she claimed ESA as a direct result of LPO and received it for only 7 weeks before her work start date. As this is for a period less than 13 weeks and Mary has met all of the other qualifying conditions she is entitled to IWC.

**Example of customer who has claimed ESA during 52 week qualifying period and does not qualify for IWC**

- John has been in receipt of IS as a lone parent since April 2007.
- John lost entitlement to IS due to LPO on 19/02/11 on his youngest child's 7<sup>th</sup> birthday.
- As a result of this and because John was signed off sick, he claimed ESA from 20/02/11.
- John was able to find a job and started work on 26/09/11.
- John satisfies the 52 week qualifying benefit rule because he has been in receipt of an appropriate/combination of appropriate benefits for the 52 weeks prior to starting work( IS and ESA)
- John does not satisfy the 'benefits must be in receipt of immediately prior to starting work' rule as he claimed ESA as a direct result of LPO but received it for a total of 31 weeks before starting work. As this is for a period longer than 13 weeks, he is not entitled to IWC but could instead claim RTWC.

**Lone Parent Carers in receipt of Income Support**

68. Some lone parents may be in receipt of IS, not necessarily because they are lone parents but because they also have caring responsibilities. This customer group may start work and continue to receive IS beyond their start date as carers are excluded from the remunerative work rule.
69. However because of benefit rules, their income may be attributed to an earlier benefit week which leaves a gap between benefit payments and work start dates, which would usually mean they fail to qualify for IWC. To ensure these customers are not penalized, the gap can be ignored when working out IWC eligibility. The following examples illustrate this situation.

**Example 1 - IS lone parent and carer, entitled to claim IWC**

- Lucy is a lone parent in receipt of Income Support. She is also a carer looking after her elderly mother.
- Her benefit payday is Friday.
- She starts work of 20 hours per week on Monday 6th June 2011.
- Because she is a carer her Income Support can continue in payment until her earnings exceed her benefit requirements. This is because carers are exempt from the remunerative work rule.

- Lucy's first wage is paid on Friday 10<sup>th</sup> June 2011 and the amount earned exceeds her benefit requirements, the wage is attributed to the benefit week 4<sup>th</sup> to 10<sup>th</sup> June 2011.
- The last effective day for receiving benefit is Friday 3<sup>rd</sup> June 2011.
- Income Support is not paid for the 4<sup>th</sup> and 5<sup>th</sup> June 2011.
- As the customer moved directly from benefit into work, these two days are not treated as breaking the IWC eligibility criteria.
- Lucy is entitled to claim IWC.

### **Example 2 IS lone parent and carer, not entitled to claim IWC.**

- Joanne is a lone parent in receipt of Income support. She is also a carer as one of her children has a disability.
- Her benefit payday is Friday.
- She starts working 16 hours per week in Monday 6<sup>th</sup> June 2011.
- Because she is a carer her Income Support can continue in payment until her earnings exceed her benefit requirements. This is because carers are exempt from the remunerative work rule.
- Her first wage is paid on Friday 17<sup>th</sup> June 2011 but the amount earned does not exceed her benefit requirements, so she continues to work and receive Income Support.
- On Friday 22<sup>nd</sup> July 2011 she receives an increase in her wage, which exceeds her benefit requirements.
- The wage is attributed to the benefit week 16<sup>th</sup> to 22<sup>nd</sup> July 2011 and the last effective day for receiving benefit is Friday 15<sup>th</sup> July 2011.
- As this is more than 5 weeks since she started work, Joanne is not entitled to claim IWC.

### **Breaks in Benefit During Qualifying Period**

70. Customers are allowed a total of 5 days break (i.e. not receiving a qualifying benefit for any reason) in the 52 week qualifying period, without it affecting their entitlement to IWC. The 5 days break can be made up of weekdays/ weekends. The break cannot occur at the end of the qualifying period. The customer must be starting work immediately following the end date of their benefit claim. Any break in entitlement that is due to Departmental error, should not be classed as a break for IWC purposes.

### **Qualifying Credits**

#### **National Insurance (NI) Credits**

71. Credit only claims ( for JSA, ESA or IB but not IS as Home Responsibilities Protection applies) can be counted as part of the 52 week qualifying period but the customer must be in receipt of either (IS or JSA(IB)) immediately before they start work.

#### **Home Responsibility Protection**

72. Home Responsibility Protection was awarded to customers who were unable to maintain regular work due to caring responsibilities, i.e. looking

after a child or a sick/disabled person. HRP was not a credit but was used to reduce the number of qualifying years needed to qualify for a basic state pension.

73. In April 2010 HRP was replaced by the Parent and Carer Credit. This is a Class 3 NI Credit but does not count towards the 52 week qualifying benefit for IWC. HRP/Parent and Carers Credits only count towards the Basic State Pension and Bereavement Benefits.

### **Working Tax Credit (WTC) run on**

74. In April 2007 the WTC run on period was introduced to help reduce the number of short term benefit claims. WTC continues to be payable for 28 days after the customer leaves work. During the run on the period the customer is awarded HRP (replaced by the Parent and Carer Credit in April 2010) and these do not count towards the qualifying period for IWC. HRP/Parent and Carers Credit only count towards Basic State Pension and Bereavement Benefits.

### **Verifying customer has been in receipt of qualifying benefits**

75. It must be checked that the customer has satisfied the qualifying benefit condition. **Note:** For the customer to be in receipt of a qualifying benefit a benefit must be in payment. The key principle of IWC is that the payment of a qualifying benefit ceases because the customer has entered remunerative work.
76. To check the customer's eligibility, access the Common Enquiries Service (CES), to access Income Support Computer System (ISCS) and Jobseeker's Allowance Payment System (JSAPS).
77. If the customer has not continuously been in receipt of the qualifying benefit(s) for 52 weeks, ask the customer if they have been a partner of a customer in receipt of JSA(IB), JSA(C) or IS.
78. If the customer states that they have been a partner of a JSA(IB) or IS customer then they must provide the ex-partner's Name, National Insurance Number (NINO), date of birth and last known address.
79. Once the details have been obtained enter the ex-partner's claim details in CES to obtain confirmation of the qualifying benefit(s).
80. If the customer/ex-partner has benefit claim(s) maintained clerically, form [IWC2](#) (Confirmation of Benefit) must be completed and faxed to the relevant benefit team.
81. You must check and verify the customer's identity to ensure that you are accessing the correct customer records on LMS and Opstrat.

### **Confirming entitlement to JSA**

82. JSAPS service for JSA:
- Dialogue JA502: Enquiry-Payment will confirm how long the customer has been in receipt of JSA.
  - Dialogue JA513 will give details of any disallowances/suspensions throughout the claim.
  - Dialogue 507 – Linking and Claim History this will confirm details of linking JSA claims.
  - Dialogue JA 501 – Claim details enquiry, Children who live with you:

- this screen will give details of all the children the JSA customer is claiming for;
  - Dialogue 501 - Claim details enquiry, Income:
    - this screen will confirm that Child Benefit is in payment for the child(ren) and the amount that is paid to the parent.
83. If required, access the Child Tax Credit Screens, to verify a dependent child(ren) living in the household. Print the statement and retain in the customer file.
84. Any periods of the JSA claim where the customer has been disallowed will not count towards the 52 week qualifying period for IWC. For customers who have been sanctioned or disallowed benefit, this will count as a break in the period of receipt of benefit, unless they have received a hardship payment. If the customer has received a hardship payment that ensures they are still in **continuous** receipt of benefit for 52 weeks or more, then IWC would be available to them. If the customer successfully appeals against the benefit decision then the IWC credit application can be reconsidered. Please note that a disallowance of 5 days or less in the 52 week qualifying period can be disregarded (effective from 15<sup>th</sup> June 2009).
85. If the JSA customer has a suspended period within their JSA claim, then this period should not be treated as a continuous claim and counted towards the IWC qualifying period, until a decision on the suspension has been made.
86. Any periods of the JSA claim, where the customer has been sanctioned which has resulted in JSA continuing to be in payment, but at a reduced amount, will count towards the qualifying period for IWC.

### **Confirming entitlement to IS**

87. Income Support (IS), the ISCS service,
- Dialogue IS500 Enquiry Evidence, this dialogue will allow claim evidence to be viewed for live cases for current & previous claims. Evidence that is more than 14 months old, cannot be viewed in this dialogue;
  - Dialogue IS503 Enquiry Payment; Use this screen to view a summary of the customer's award. The award for which details display is the decided award current at the date used when accessing dialogue IS503.
  - Dialogue IS535 or Dialogue IS502 for Payment Enquiry - these screens will allow you to establish if the customer has had periods during their claim when IS has not been paid e.g. if claim has been nilled due to WTC run-on or disallowed for any reason.
  - Dialogue IS510 – IS notepad which will often contain the reasons why there is a gap in payment periods.
  - Dialogue IS500 – Enquiry/Evidence:
    - from the pick list screen, select 'children' by inputting a [Y] in the box to the left of the word 'children';
    - press [ENTER] and this takes you to Screen 500515 – Children who live with you;
    - from the pick list screen, select 'Other Benefits' by inputting a [Y] in the box to the left of the word 'Other Benefits';
    - press [ENTER] and this takes you to Screen 500519 –Other Benefits;

- Screen 500515 – Children who live with you:
    - use this screen to view details of all the children the IS customer is claiming for;
  - Screen 500519 –Other Benefits:
    - use this screen to view details of Child Benefit that is in payment for the child(ren), and the amount that is paid to the parent;
    - Child Benefit is entered on this screen as code 02.
88. If the IS customer has a suspended period within their IS claim, then this period should not be treated as a continuous claim and counted towards the IWC qualifying period, until a decision on the suspension has been made.
89. If the IS claim has been disallowed the period of the disallowance will not count towards the qualifying period for IWC. Please note that a disallowance of 5 days or less in the 52 week qualifying period can be disregarded (effective from 15<sup>th</sup> June 2009).
90. If the customer successfully appeals against the benefit decision then the IWC credit application can be reconsidered.
91. Any periods of the IS claim, where the customer has been sanctioned which has resulted in IS continuing to be in payment, but at a reduced amount, will count towards the qualifying period for IWC.
92. It is important that the customer is not informed that they are eligible or not for IWC until thorough checks of legacy systems have been undertaken.

#### **Claim for IS/JSA is Maintained Clerically**

<b>Step</b>	<b>Action</b>
1	Complete the Confirmation of Benefit Details form <u>IWC2</u> for the customer and fax/e-mail to the relevant benefit team;
2	Make sure that your fax number/e-mail address is included on the form;
3	The <u>IWC2</u> should be faxed/e-mailed back from the relevant benefit team within 24 hours
4	If the form has not been received within the timescale, then telephone the benefit team and ask that the form be faxed back urgently
5	On return of the form: <ul style="list-style-type: none"> <li>• check that the parent has been in receipt of benefit continuously (from 15<sup>th</sup> June 2009, a break/breaks which total 5 days or under can be disregarded) - for 52 week prior to their IWC application.</li> </ul>
6	If the parent does not satisfy the qualifying benefit conditions, then check to see if they are entitled to ' <u>Balance of time</u> '.

#### **Confirming ESA entitlement**

93. Claim for ESA JSAPS service for ESA:
- Dialogue JA502: Enquiry-Payment will confirm how long the customer has been in receipt of ESA.

- Dialogue JA513 will give details of any disallowances/suspensions throughout the claim.
  - Dialogue 507 – Linking and Claim History this will confirm details of linking ESA claims.
  - Dialogue JA 523 – Claim details enquiry, Children who live with you:
    - this screen will give details of all the children the ESA customer is claiming for;
  - Dialogue 523 - Claim details enquiry, Income:
    - this screen will confirm that Child Benefit is in payment for the child(ren) and the amount that is paid to the parent.
94. If required, access the Child Tax Credit Screens, to verify a dependent child(ren) living in the household. Print the statement and retain in the customer file.
95. Any periods of the ESA claim where the customer has been disallowed will not count towards the 52 week qualifying period for IWC. If the customer successfully appeals against the benefit decision then the IWC credit application can be reconsidered. Please note that a disallowance of 5 days or less in the 52 week qualifying period can be disregarded (effective from 15<sup>th</sup> June 2009).
96. If the ESA customer has a suspended period within their ESA claim, then this period should not be treated as a continuous claim and counted towards the IWC qualifying period, until a decision on the suspension has been made.

The [In Work Credit Application/Review Checklist](#) may be used to record action taken

***Customers living in London (or New Deal Plus Pilot areas – couples only, this pilot ends on 31/07/10 and IWC will not be available to couple parents starting work after this date)***

### ***Confirming eligibility of customer in London Districts***

**Note: IWC is available to lone parents living in London Districts as long as they satisfy the eligibility criteria.**

97. Before the payment of IWC can be considered it must be confirmed that the following qualifying criteria have been met by the customer:
- Dependant child in household
  - In receipt of Income Support
  - In receipt of Jobseekers Allowance
  - In receipt of Incapacity Benefit or Severe Disablement Allowance, Employment Support Allowance
  - In receipt of Carer's Allowance
  - Living in the London Jobcentre Plus Districts
  - [Moving into Work](#);
  - Is not currently in receipt of RTWC
  - 52 week Qualifying period./Qualifying Benefits;
    - Confirming entitlement to IS
    - Confirming entitlement to JSA



- [Confirming IB/SDA entitlement](#)
- [Confirming ESA entitlement](#)
- [Confirming CA entitlement](#)
- [Claim held clerically](#)

98. Note:

- If any one of the criteria is not met, then IWC cannot be considered.

### **Customer in receipt of Incapacity Benefit or SDA or ESA**

99. IB/SDA/ESA customers can no longer claim an increase for their child(ren), they now have to claim Child Tax Credit (CTC). However there are transitional cases, where IB/SDA/ESA customers are still receiving child dependency increases (CDI).
100. If a customer is in receipt of IB/SDA/ESA check to see if IS or JSA is in payment either to the customer or partner. If IS/JSA is being received then verification of the children should be checked using ISCS or JSAPS.
101. If the customer (s) have only been receiving IB/SDA/ESA, then to verify the parent has a dependent child(ren):
- obtain the Child Benefit number for the child(ren) and record on IWC1.
  - contact the Child Benefit centre by phone, if possible to confirm the parent is in receipt of Child Benefit for the child.
102. A list of the telephone numbers to be used for the Child Benefit Centre can be obtained from your District IS/JSA/IB sections.
103. If required, access the Child Tax Credit Screens to verify a dependent child(ren) living in the household. Print the statement and retain in the customer file.

### **Living in London Jobcentre Plus districts**

104. The customer must be resident in one of the London Jobcentre Plus districts at the time they move into work. They do not need to have been living in the London districts for the whole of the 52 week qualifying period.

### **52 week Qualifying Period**

105. To satisfy the qualifying period, the customer must be in receipt of one or more of the following benefits for a continuous period of at least 52 weeks, immediately prior to moving into work and also one or more of those benefits must be in payment at the point immediately before starting work;
- Income Support (IS)
  - Income-based Jobseeker's Allowance (JSA(IB))
  - Contribution Based Jobseeker's Allowance (JSA(Cont))
  - Incapacity Benefit (IB)
  - Employment and Support Allowance (ESA)
  - Severe Disablement Allowance (SDA)
  - Carer's Allowance (CA).
106. The IS/JSA(IB)/IB/ESA or SDA recipient must be moving into work of at least 16 paid hours a week to qualify for the IWC. The qualifying period can be made up of periods on different benefits, e.g., a person may move from IB/ESA to JSA during the period, but there must be no breaks.

107. A break of 5 days (or less) from qualifying benefits will not impact on customer eligibility for IWC. This can be made of a single break or multiple breaks as long as they do not exceed 5 days in the 52 week qualifying period. The 5 days break can be made up of weekdays/ weekends. The customer must be starting work immediately following the end date of their benefit claim. Any break in entitlement that is due to Departmental error, should not be classed as a break for IWC purposes.
108. Periods spent on Jury Service within the 52 week qualifying period, where customers would have been entitled to a qualifying benefit had they not been on Jury Service, can count this period as part of the IWC qualifying period.
109. In addition, at the point of starting work, one of the following benefits must cease:
- Income Support (IS)
  - Income-based Jobseeker's Allowance (JSA(IB))
  - Incapacity Benefit (IB)
  - Employment and Support Allowance (ESA)
  - Severe Disablement Allowance (SDA)
110. Maternity Allowance, SSP and SMP do not count towards the 52 week qualifying period.
111. From 15 June 2009 benefit waiting days, periods of Training Allowance and credit only claims will count towards the 52 week qualifying period but the customer must actually be in receipt of one of the qualifying benefits immediately before they start work.

### **Confirming IB/SDA entitlement**

112. To check the customer's eligibility to IB/ESA/SDA, access the Common Enquiries Service (CES), to view information held on PSCS:
- Dialogue RP001 – Account Summary Enquiry:
    - this dialogue will show the benefit type and date of entitlement;
    - keys F1 and F7 may give some notes about the claim which may be useful.
  - Dialogue RP011 – Benefit history details/Work management enquiry:
    - This dialogue will give details of benefit history, showing periods when IB has been claimed.
113. If the customer has a suspended period within their IB/ESA/SDA claim, then this period should not be treated as a continuous claim, and cannot be counted towards the IWC qualifying period until a decision on the suspension has been made.
114. If the IB/ESA/SDA claim has been disallowed the period of the disallowance will not count towards the qualifying period for IWC. If the customer successfully appeals against the benefit decision then the IWC credit application can be reconsidered.
115. Any periods of the IB/ESA/SDA claim, where the customer has been sanctioned which has resulted in IB/ESA/SDA continuing to be in payment, but at a reduced amount, will count towards the qualifying period for IWC.

## **Confirming CA entitlement**

116. To verify a period of CA contact the Carer's Allowance Unit (CAU) by telephone on: 0845 608 4321. It may be the IWC customer's partner who has been in receipt of CA.
117. The CAU will need the following information, before any details can be given out:
- JCP office number
  - CA customer's name (This may be the IWC customer's partner)
  - CA customer's NINO
  - CA customer's date of birth
  - CA customer's address
118. When CA has been verified by the CAU, the details of the award must be noted in LMS Conversations.
119. Form [IWC4](#) can be used, if needed, to verify an award of CA. This form can be faxed to 0845 608 4321.

## **Customer has not been in receipt of a qualifying benefit(s) for 52 weeks**

120. If the customer has not been in receipt of the qualifying benefit(s) for 52 continuous weeks ask the parent if they have been a partner of JSA(IB), JSA(C), IS, IB/ESA/SDA or CA customer:
- If the customer states that they have been a partner of a JSA(IB), IS or IB/ESA/SDA or CA customer then they must provide the partner's/ex-partner's Name, National Insurance Number (NINO), date of birth and last known address.
  - Once the details have been obtained enter the ex-partner's claim details in CES to obtain confirmation of the qualifying benefit(s).
121. For more information on data protection see [LMS Data Protection Compliance Guide](#)

## **Claim held clerically**

122. If there is a clerical benefit claim for the customer or their partner, select the following hyperlink to access the [Claim Maintained Clerically table](#), which details the action to take to confirm customers benefit entitlement.

The [In Work Credit Application/Review Checklist](#) may be used to record action taken

## **Chapter 04 – IWC Application Processing and Making a Payment**

### **Time limit for applying for IWC**

123. The customer must complete and return the [IWC1](#) to the local office within 5 weeks of starting employment.

## **Application not received within 5 weeks of customer starting work**

124. If the application is received after 5 weeks of commencing employment you need to establish the reason why.
125. If the customer initially made an application for Return to Work Credit and was subsequently informed that they were not eligible or were advised that they could be eligible for IWC the IWC application may be received more than 5 weeks after work commenced. In these circumstances the IWC application should be accepted. A maximum of a further 5 weeks from the date work commenced can be allowed.
126. If the IWCTL is able to establish that the customer completed and returned an application form to Jobcentre Plus within 5 weeks but it was not received, they should accept the application and note LMS conversations with the details.
127. If the IWCTL is able to establish that the customer notified Jobcentre Plus that they were signing off benefits and commencing employment but were not informed of their potential eligibility to IWC and issued with an IWC1 and IWC information leaflet, accept the application and note LMS conversations with the details. Jobcentre Plus must ensure that all potential IWC customers are informed about IWC when they sign off benefits.
128. The above reasons are the only exceptions for accepting an IWC application made more than 5 weeks after the customer started work.
129. If the customer did not inform Jobcentre Plus that they were commencing employment when they ceased claiming benefits, we cannot accept the late application as it is the customer who is responsible for informing Jobcentre Plus that they are commencing employment.

## **Issue the IWC application form**

130. For BDC action please see [BDC action](#).
131. If the customer has satisfied all the eligibility criteria for IWC, Jobcentre staff must:

Step	Action
1	issue the IWC application form <a href="#">IWC1</a>
2	Update the LMS Pilot Marker to 'IWC Application Issued' and record in LMS Conversations.
3	If the form is to be posted to the customer complete the issue and return date on the front of the <a href="#">IWC1</a> and send with the covering <a href="#">postal application letter</a>
4	If the BDC has issued an <a href="#">IWC1</a> to the customer and emailed the DASO/IWCT to inform them, you will need to update the LMS Pilot Marker to 'IWC Application Issued' and record in LMS Conversations. You must undertake full IWC eligibility checks as the BDC are not responsible for these.
5	Notify the relevant Benefit Delivery Section as per current Jobcentre Plus procedures that the parent has a job to start and that IWC may be in payment - this information can be included on form LPF106.

132. The [IWC1](#) can be issued and accepted for up to 7 days prior to the customer starting work, providing you are satisfied that all the criteria for applying for IWC are met. The payments must not be processed until it has been confirmed that the customer has actually started work.
133. The customer should complete the IWC application in the office whenever possible. If they are unable to do this then ask that the application is completed and returned to the issuing office within 5 weeks of starting work. Record this information in LMS conversations. If the [IWC1](#) is not received within 5 weeks of starting work the application cannot proceed.
134. At this point a customer file should be created. Where they are filed can be agreed at a local level. The files should be used to hold application forms, evidence provided to confirm customer eligibility, notifications from customer of any change of circumstance and details of conversations held.

### **Checking completion of the application form**

135. Once the customer has completed the IWC application, check that each section of the [IWC1](#) has been fully completed – if possible whilst the customer is still present. Pre-paid labels or envelopes should be issued to the customer for them to return their evidence of continuing employment/self employment for the IWC reviews.

### ***Evidence requirements***

136. Customers should be informed that:
- they can be asked at any point by Jobcentre Plus to provide evidence of their employment/self-employment.
  - there are set review dates when evidence of their earnings or income from trading / self-employment must be provided to enable Jobcentre Plus to establish that they are still eligible for IWC. These reviews will be carried out by post - a Mandatory Request for Information review letter ([Letter 4](#)) must be sent to the customer to remind them to provide suitable evidence.
137. Original documents should be provided as evidence, i.e. their two most recent payslips, or evidence of income if they are self- employed. If the customer does not have the required pay slips, (e.g. if they are 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, of at least 16 hours paid work a week. Only hours for which the customer is paid count towards the hours worked.
138. For example:
- A lone parent starts work for two days a week and attends for eight hours each day. The employer does not pay for refreshment breaks and the lone parent has a thirty minute break each day. The employer pays for 15 hours each week. The customer is not entitled to IWC.

### ***Customer eligible for Return to Work Credit (RTWC)***

**Note: Customers cannot qualify for payments of both RTWC and IWC**

139. RTWC is a:

- work incentive payment to encourage customers to move into work from incapacity benefits
  - non-taxable weekly payment of £40, paid for a maximum of 52 weeks, to eligible customers in receipt of a qualifying incapacity benefit for a continuous period of at least 13 weeks who work 16 hours or more a week and earn £15,000 gross or less a year.
140. Customers cannot be paid both RTWC and IWC at the same time; only one of the incentives can be taken up.
141. When a customer applies for IWC it is essential to establish that the customer is not receiving RTWC by checking LMS conversations and LMS markers.
142. In some cases a customer could qualify for both IWC and RTWC therefore it is essential that the customer is made aware of the payment that is most beneficial to them. This means that the customer should be advised to consider IWC prior to RTWC as IWC has no upper earnings limit and is paid at the higher rate of £60 per week in the London Districts.
143. Jobcentre Plus staff must also ensure that this action is taken to avoid IWC/RTWC duplicate payments.

### **Customer contacts Jobcentre Plus, BDC or Pathways to Work Provider to claim RTWC**

144. The following action should be undertaken:

<b>Step</b>	<b>Action</b>
1	<b>RTWC Team Action</b> RTWC Team confirm: Non- London Districts – lone parent has a dependent child under 16 living in the household and are in receipt of IS (on grounds of incapacity); <b>or</b> London Districts – lone parent has a dependent child under 16 living in the household and are in receipt of IB, ESA, SDA or IS (on the grounds of incapacity). <b>NOTE: RTWC teams do not have access to details of partner/ex-partners claim period which may count towards the 52 weeks qualifying period for IWC.</b>
2	<b>RTWC Team Action</b> RTWC Team annotates RTWC claim form (RTWC2JP) – ‘Dependent child in household’ and notes LMS conversations. Forward annotated RTWC2JP to relevant IWC Team.
3	<b>IWC Team Action</b> IWC Team receives annotated RTWC claim form (RTWC2JP). Note LMS conversations
4	<b>IWC Team Action</b> IWC staff check eligibility (including balance of time and eligibility via partners / ex-partners benefit claim) for IWC: Customer eligible for IWC – process IWC payments. Customer is not eligible for IWC – IWC team send RTWC claim form (RTWC2JP) to Regional RTWC Team via courier. Note LMS

	conversations that this action has been undertaken.
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145. For further information on RTWC please see the [RTWC guidance](#).

### ***New Enterprise Allowance (NEA)***

146. Lone Parent customers who qualify for IWC may also qualify for help under NEA (if in receipt of JSA).
147. Customers who meet the eligibility conditions for NEA and IWC can receive NEA mentoring whilst still in receipt of JSA. Once the customer is ready to start their self employment and has ended their JSA claim, they will need to decide whether to claim IWC or the NEA weekly allowance as customers cannot be paid both payments.
148. If the customer decides to claim IWC they will also have access to the NEA loan facility. For further information on NEA, please click on the following link  
[http://intranet.link2.gpn.gov.uk/1/jcp/directorates/cp/changedelivery/welfare/gbw/dwp\\_t651611.doc](http://intranet.link2.gpn.gov.uk/1/jcp/directorates/cp/changedelivery/welfare/gbw/dwp_t651611.doc)

### ***Employment Zone / PSL Areas***

149. Customers can still apply for IWC within Employment Zone / PSL areas, although the application process differs.
150. In Employment Zones/PSL Areas the customer will be informed of the IWC incentive along with other available incentives at their initial interview. After this, if the customer is referred to an Employment Zone / PSL adviser and goes on to find work of at least 16 hours a week they should be referred back to the IWCT for the IWC application/payments to be processed.
151. Note EZ / PSL providers must not complete IWC forms. Customers should be referred back to Jobcentre Plus.

### ***Process IWC application***

#### **Payment details of In Work Credit**

152. When the [IWC1](#) is issued, the customer should be informed that they can choose from the following ways to have their IWC paid:
- current account;
  - basic bank account; or
  - Post Office® card account.
153. Note: Cheques and Post Office Card Accounts must only be used where the customer cannot open a bank or building society account. A Post Office Card Account must only be considered if the customer already has a Post Office Card Account at the time of applying for IWC. Customers are encouraged to have their payment paid into a current account or Post Office® card account.
154. If any payments of IWC are issued by cheque from Jobcentre Plus, then following the introduction of RM there is no need for a Giro code. See [Payment Guidance](#) for further information.
155. IWC is paid weekly in arrears. The payment weekend day is always Tuesday.



156. The customer will be paid IWC for full 7-day week, regardless of which day the job starts or ends.
157. For example if the customer commences employment on Monday 12 May 2008, their first week's payment would be from Wednesday 07 May to Tuesday 13 May 2008.
158. If the customer commences employment on Friday 16 May 2008 their first weeks payment would be from Wednesday 14 May to Tuesday 20 May 2008
159. The customer must be informed that they will be required to provide:
- Evidence of employment / earnings or self-employment trading e.g. payslips, throughout their claim to IWC and the first review will be carried out at week 12. The mandatory review – request for information letter will be issued at week 8. For more information see - [Evidence of employment /self-employment](#).
  - Details of any change of circumstances.

### **Shared Services Centre, Purchase to pay, Cardiff**

160. Shared Services, P2P are responsible for:
- Entering payment details into the Resource Management System (RM)
  - Arranging immediate payments of any arrears and scheduling future payments on due dates
  - Providing a help desk service to confirm if RM2s have been received and processed or the likely date of processing
  - The dispatch of payments
  - Updating RM with any changes notified to them on form RM3.
  - Dealing with all post payment issues, e.g. direct payment rejections by the bank.
  - Processing terminations notified on form RM3
  - Calculating any [overpayments](#) and instigating recovery action.
161. To ensure that P2P can process the RM2 you must ensure that:
- The RM2 is signed. Photocopied signatures cannot be accepted by P2P.
  - The RM2 must not be self-approved
  - Bank Wizard must have been used to confirm the details
  - The number of weeks on the RM2 must not exceed 52 weeks
  - The correct Company Number must be quoted. Jobcentre Plus company number is 11-WWEG.
  - Ensure the cost centre number is correct.
  - The account code must be correct
  - The National Insurance number must be correct.

### **Account Codes**

162. There are 2 accounts codes which must be used for IWC payments.
- The account code for lone parents is 51018.
  - For any residual couple parent claims the account code is 54685.
163. An account code is used to identify a particular type of expenditure. It also identifies expenditure where Jobcentre Plus can reclaim Value Added Tax (VAT).

164. It is important that the account codes are used correctly. Incorrect codes could delay payments to our suppliers and distort Jobcentre Plus financial accounts.

### **Company Number**

165. From 1 April 2009 a new Company Number has been set up on RM to account for Employment Programme expenditure. For IWC awards the correct company number is 11-WWEG and this must be used on all RM forms.

### **Cost Centre Codes**

166. From 1 April 2009 new cost centre codes have been introduced for IWC awards to be used in conjunction with the new company code above. RM will reject RM forms that do not contain the correct cost centre code with the new company number.
167. Please ensure that you use the correct code for your location. You can check your cost centre code by using the Account Codes Made Easy tool which is available from the JCP Adviser Site under Related Links on the right hand side of the home page using the following link [Adviser Site Home Page](#). Column C shows your district cost centre code and column E shows the new code to use for IWC payments.
168. From 1<sup>st</sup> October 2009 the Cost Centre code for all IWC Couple Parent payments is the same as that for IWC for lone parents. For IWC for Couple parents the separate account code of 54685 must be used. Prior to 1<sup>st</sup> October the cost centre for IWC for Couple Parents was 105008. IWC for couple parents is only payable in the New Deal plus pilot districts.
169. It is important that the cost centre codes are used correctly. Incorrect codes could delay payments to our suppliers and distort Jobcentre Plus financial accounts.
170. If a customer claiming IWC prior to 01/04/09 notifies a change or circumstances (after 01/04/09) the RM3 to be issued to Shared Services (P2P) must contain the original Company Number and Cost Centre Code used on the RM2.
171. Any transitional customer (that is a customer that requires more than 1 RM2 because payment periods authorised were for less than 52 weeks) must use the new Cost Centre and Company Codes for any RM2 they send after 01/04/09 – regardless of whether previous RM2

### **Completing / processing Form RM2**

Step	Action
1	Complete form <a href="#">RM2 Recurring Payment Authority</a> parts 1 - 4 and Part 6 which will include details of the authorising officer for payments. In Part 5 make sure the customers National Insurance number is completed in this part as this the only place on the RM2 that the customers National Insurance number is input. All other boxes in part 5 must be left blank.
2	Ensure that the customer National Insurance number is entered correctly. Only enter the first initial in the Customer Initials field

3	Enter the telephone number of the Personal Adviser/IWC team to be contacted in the event of a query about the content of the form;
4	Select the 'In Work Credit' Claim type
5	Check that any bank/building society details entered on <a href="#">RM2 Recurring Payment Authority</a> payment form are correct by using <a href="#">Bank Wizard</a> ; This must be checked in every case to prevent payments being rejected by BACS and causing delays to payments. Delays that occur will be a minimum of 3 weeks.
6	Check that the payment details are correct, i.e. £40 in Non London Districts and £60 in London Districts only.
7	Check that the payment period / dates are correct. For more information see <a href="#">payment periods</a> . <b>Ensure that the payment period is for 52 weeks.</b> Ensure that the payment dates are Tuesdays.
8	Complete the company number, cost centre and IWC account code
9	Complete the approval section on the <a href="#">IWC1</a>
10	Pass to the Authorising Officer for authorisation, along with the printed out <a href="#">RM2 Recurring Payment Authority</a> . Authorising Officers must ensure that they have the appropriate Delegated Financial Authority to approve see <a href="#">Delegated Financial Authority</a> guidance for further information
11	Once the application has been authorised, return the <a href="#">IWC1</a> and <a href="#">RM2 Recurring Payment Authority</a> to the Personal Adviser/IWC team. Part 5 – Management Information of the <a href="#">RM2 Recurring Payment Authority</a> should not be completed. The RM2 must be forwarded electronically to P2P, Cardiff.
12	The <a href="#">IWC1</a> should be filed in the customer file
13	Complete the LMS review workflow action/update the review database

### **Authorising Manager Action**

Step	Action
1	Check that form <a href="#">IWC1</a> is fully completed, ensuring the bank details given are correct and that pay date is a Tuesday.
2	Check the customer satisfies the eligibility criteria and the job is suitable;
3	Once a check has been completed on the eligibility complete and sign part 8 of the <a href="#">IWC1</a>
4	Authorise payment of IWC by signing part 6 of the <a href="#">RM2 Recurring Payment Authority</a> form after checking Parts 1 to 4 are fully completed, ensuring that the correct <a href="#">account code</a> is on the <a href="#">RM2 Recurring Payment Authority</a> and that the customer National Insurance number is entered correctly. Ensure that the payment period is for 52 weeks. Part 5 should not be completed.
5	Pass back to the referring officer/IWC Team to dispatch
6	The authorisation should be completed on form <a href="#">IWC1</a> and payment form <a href="#">RM2 Recurring Payment Authority</a> by the

	Authorising Manager within 24 hours of receipt. The <a href="#">IWC1</a> and <a href="#">RM2 Recurring Payment Authority</a> should then be returned to the referring officer/IWC Team
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**For more information see [In Work Credit – Authorising Manager’s Checklist](#)**

172. Further guidance on using RM and payment procedures can be found in the following guidance [Payment Guidance](#) .
173. If after the RM2 has been emailed to P2P, it was realised that a clerical error has been made on the RM2 form (i.e. wrong information or typing error on the form) the form, you can contact P2P to stop the RM2 being processed and therefore a potentially incorrect payment being made. This can only be done on the same day that the RM2 was sent to P2P. This request should be directed through the helpline on 08458501512 as urgent. In any other circumstances an [RM3](#) needs to be completed to terminate payments.

***Bank Wizard***

174. To ensure that the bank or building society details are entered correctly onto RM forms and to minimise rejections you must use Bank Wizard before completing and sending the forms to Shared Services.
175. The Bank Sort code is not gathered on form [IWC1](#) (version 04/10), so it is important that the customer provides the full name and address of their bank or building society, with this information you will be able to perform a Keyword search within Bank Wizard (e.g. Keyword 1 – Barclays, Keyword 2, Sheffield) which will then provide the correct sort code.
176. Once you have the correct sort code you will be able to enter the sort code and account number for checking.
177. If the customer has not provided the correct or required details on the IWC1, the customer should be contacted to explain that their claim cannot be processed unless these details are provided.
178. Click [here](#) to access Bank Wizard guidance. There is a Help button and an Input Guide button on Bank Wizard, which provides advice on how it can be used.
179. On return of the [IWC1](#) from the Authorising Manager the referring officer/IWC Team must:

Step	Action
1	From 6 <sup>th</sup> September 2010 the signed <a href="#">RM2 Recurring Payment Authority</a> must be emailed to Shared Services. Please see Shared Services Guidance for further details.
2	File form <a href="#">IWC1</a> in the customers claim file, as this may be required for future payment checks;
3	Issue <a href="#">letter 1</a> Notification of IWC payments to the customer. The letter should not be issued until eligibility has been checked and the application has been authorised;
4	Create an LMS workflow or use the review spreadsheet <a href="#">Review spreadsheet</a> to set a review date at 8 weeks;
5	Retain a copy of the in the customer IWC file.

180. RM Payment forms can be batched together and sent to P2P on the same day that they are completed. It is important that the forms are not stockpiled for more than a day to avoid causing delays in payments to customers.

### **Notification of IWC Payments**

181. From 2 August 2010 Shared Services will no longer send notification to new recipients of IWC each time a payment is made into their account.
182. It is therefore essential that the [Notification of IWC payments Letter \(letter 1\)](#) is issued to any new recipients of IWC if the RM" is likely to be received/actioned at Shared Services on or after 2 August 2010.
183. The wording of this letter must not be changed as it contains wording that has been agreed with Shared Services to provide the information that used to appear on the old Shared Service remittance advice notices that it replaces.
184. Any customers whose payments commenced prior to 2 August 2010 will continue to receive weekly notifications.

### **Payment periods of In Work Credit**

185. There is one 52 week payment period for In Work Credit (effective from 12<sup>th</sup> January 2009 – for cases where the customer made a claim or was in receipt of IWC prior to this date please read the section on [Transitional Cases](#)). There is a declaration that customers must sign on the IWC1 application form which outlines their responsibility to notify Jobcentre Plus of any change in their circumstances and that they accept responsibility for repayment of any IWC incorrectly paid to them.
186. The [In Work Credit Application/Review Checklist](#) may be used to record action taken.

### **Retention of documents**

187. All IWC forms should be kept securely for 14 months at local/district level from the date the last IWC payment was made, after this period they can be destroyed.
188. If the case is selected for a (legacy system) test check, papers should be retained for 14 months after the end of the operational year in which the test check occurred.

## **Chapter 05 – Establishing Employment Eligibility**

### ***Checking the work is suitable***

189. If the customer is eligible to claim IWC, the suitability of the job must be checked.
190. If the job is not suitable then IWC will not be payable. However, the customer can still choose to make an application to IWC. See [ineligible action to take](#)
191. To be suitable the job/s must:
- be in remunerative work (work in which a person is engaged, or where their hours fluctuate, they are engaged on average, for not less than 16

- hours a week being work for which payment is made or which is done in expectation of payment)
- Customers entering employment must be paid for 16 hours or over per week.
    - Example – John works 3 days a week, he is required to attend for 5 and half hours each day (16 and half hours per week). John has to take an unpaid rest break of 15 minutes each day. This means John only receives pay for 5 hours and 15 minutes per day (total 15 hours and 45 minutes). His employment does not meet the minimum 16 hours paid hours per week qualifying criteria, so he is not entitled to IWC.
    - Any Advisers explaining IWC to potential customers must ensure that customers are aware of this requirement before the customer signs off benefit and claims IWC.
  - comply with employment legislation and meet the [National Minimum Wage](#)
  - be expected to last at least five weeks.
192. The customer may have more than one job, but the combined hours must total at least 16 paid hours a week or more.
- Example – Linda has 2 jobs, she works 7 hours per day on Saturday and Sunday, but has unpaid meal breaks of 30 minutes each day (total paid hours in this job are 13 per week). She also does 2 hours paid cleaning work for a neighbour. As her total number of paid hours for both jobs is 15, Linda is not eligible for IWC.
  - Example – Jonathan has also got 2 jobs, work 8 hours per week for one employer and 8 hours for another. He is paid for a full 8 hours work for each job, so therefore qualifies for IWC.
193. The [IWC1](#) form has space for details of 2 jobs to be entered. If the LP is doing more than 2 jobs per week the additional jobs must be included on a further [IWC1](#).
194. If the job does not comply at any time with employment legislation, the customer must be notified that IWC cannot be paid and will be stopped.
195. If the customer is taking up a job working for an overseas employer/a job based outside the UK IWC cannot be paid. However if the job is subject to UK employment legislation and taxation IWC can be paid.
196. If the customer is not sure if the job will last for 5 weeks or more, tell them the IWC application cannot be processed until they have confirmed with the employer that the job is expected to last for 5 weeks or more.
197. The confirmation must be received within 5 weeks of the customer starting the job in order that the application can be processed and backdated to the start date of the job. If confirmation is not received within 5 weeks of starting the job then IWC cannot be considered.
198. If a customer currently has a job of less than 16 hours and their hours increase to at least 16 paid hours a week with the same employer IWC can be claimed. The [IWC1](#) and confirmation of the increased hours must be received within 5 weeks of the change.

### **Employment lasts less than 5 weeks**

199. In the event that the customer's employment does not last for at least five weeks and the customer subsequently makes a repeat claim to



benefit, the payment of IWC is still payable for the period of employment. This is provided that the job was expected to last for 5 weeks or more and is irrespective of whether the employer terminates the employment or the customer leaves earlier than anticipated for whatever reason.

200. There may be circumstances where a customer's employment ends before an IWC payment has been made. Even though you may be aware that the customer is no longer in employment, the IWC should still be paid if the customer had originally met the qualifying criteria.

### **Example 1**

Joanne finds employment of 20 hours per week as a dentist's receptionist. She starts work on Wednesday and expects the job to last for more than five weeks. She meets all the eligibility criteria for receiving IWC and makes her application on time. Her Income Support claim is terminated. When she arrives at work she is told that her job has changed and she will not be employed as a receptionist but will work as a hygienist's assistant. Joanne is allergic to the products used in this work and after two days has to leave because of an allergic reaction. IWC is payable for the period of the employment and Joanne is entitled to one week's credit.

### **Example 2**

Dean starts work at a warehouse on Friday. He is employed to work 18 hours per week and the employer advertised the job as a permanent position that was expected to last more than five weeks. Dean meets all the eligibility criteria for receiving IWC and makes his application on time. His Jobseekers Allowance claim is terminated. At the end of his first shift, Dean is told not to return to work as the employer cannot afford to keep him on and is also letting other employees go at the same time. IWC is payable for the period of the employment and Dean is entitled to one week's credit.

### **Work Trials**

201. Some customers may begin employment on a Work Trial, they must be made aware that IWC can only be paid once they start receiving a wage from their employer and they satisfy all other IWC eligibility criteria.

### **Term time only employment / hours averaged out**

202. The main consideration when assessing term-time workers and their eligibility to IWC is to establish if their working patterns mean the customer is no longer eligible for Income Support or Jobseekers Allowance. Differences in benefit regulations mean that calculations are applied differently to each benefit.
203. The policy intent behind IWC is to help support customers during their transition from benefits into work and increase retention in work. This is the reason the 16 hour condition forms part of IWC eligibility as in the majority of cases, this is the hourly threshold that will determine if a customer is eligible or not for JSA or IS. However, for any customers who work term-time and have their hours averaged out as a result, these must be looked at on a case by case basis for IS and JSA purposes, and also need to be considered in the same light for IWC purposes.



204. Although a contract of employment is not required to enable IWC claims to be processed, it is advisable to ask the customer to provide this to establish their contracted hours over the working period. This is because there are variations between contracts and a customer may believe they are employed term-time only but their contract is actually for 52 weeks.
205. If the customer is contracted for term-time only (i.e. 39 weeks per year), this averages out at 16 hours or more per week of their contracted weeks, and the customer will no longer be able to claim IS or JSA, then IWC can be paid throughout (i.e. balance of time does not have to apply as the customer should not be making short term claims for out of work benefits in the interim) if the customer meets all other IWC eligibility.
206. [The Decision Makers Guide Chapter 20 paragraphs 20316 to 20317](#) provide some useful examples of considering eligibility for IS or JSA and assessing if the customers term time working patterns result in the customer being classed in remunerative work.
207. The examples below demonstrates how average hours are calculated for an IS customer and a JSA customer.

### **Example 1**

Nancy is an IS customer who has been offered term-time only employment of 18 hours per week for 39 weeks of the year. Because Nancy is currently receiving IS her working hours must be averaged using the IS benefit regulations.  $18 \text{ (hours)} \times 39 \text{ (weeks)} = 702 \text{ hours}$ . 702 is divided by 39 as this is the weeks worked during the year, giving the average of 18 hours per week, therefore Nancy will be unable to continue to claim IS and is entitled to IWC.

### **Example 2**

Sid is an existing JSA customer who has been offered the same term time job as Nancy, working 18 hours per week for 39 weeks of the year. Sid must have his workings hours averaged according to the JSA benefit regulations.  $18 \text{ (hours)} \times 39 \text{ (weeks)} = 702 \text{ hours}$ . 702 hours must be divided by 52 weeks, (his normal working pattern) to reach his average hours.  $702/52 = 13.5 \text{ hours}$  per week. He remains entitled to JSA and is therefore not entitled to IWC.

### **Seasonal Workers**

208. Seasonal workers will have an interruption in their employment as part of the normal working pattern. For example, a builder would expect to have less work during the winter and would be expected to plan for this. They could continue to advertise for work and have work to continue or start when the weather improves. The period over which hours are calculated would normally be the full year to include any periods of inactivity. If the hours average out at least 16 hours per week, the customer can continue to receive IWC for weeks when they have not worked the required hours.

### **Teachers**

209. Teachers may be required to complete preparation work outside of their hours of attendance at their work-place. Unpaid preparation time for

teachers/lecturers counts toward the required minimum 16 hours per week, 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 customer is expected to spend in preparation.

## **Self-employed**

210. Customers must be told at the application stage that they need to retain evidence of their self-employment for future checks/reviews. This evidence will vary according to each customer but could include:
- invoices, receipts and bank statements
  - letters from the employer where the customer is undertaking sub-contracting work
  - a business plan, if the customer has one.
  - a certificate of incorporation from Companies House (a legal requirement) if they are setting up a limited company
  - registration with HMRC (NB HMRC allow 3 months from the date self employment starts to register). The following hyperlink will take you to [HMRC guidance on registering as self employed](#).
211. You need to be satisfied that the evidence supplied confirms that the customer meets the IWC [job suitability](#) criteria.
212. The number of hours a week that will be spent in self-employment must be established by asking the customer:
- 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
213. You will 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.
214. This list is not exhaustive and you must bear in mind that the evidence a customer is able to provide will depend on the type of work they are undertaking.
215. The Adviser should use the information provided by the customer to help determine if they will work sufficient hours to qualify for IWC.
216. Accept a statement from the customer about the weekly number of hours worked unless you have reason for doubt. Where there is a doubt, make a decision on all of the evidence available.

## **Company Directors**

217. A limited company must be registered at Companies House and have a Certificate of Incorporation which states the company name, company number and type of business. Companies must have a registered office in the UK. If you have the name of the company you can run a search on the Companies House website to confirm that the company is registered.
218. Provided that the company is registered and the customer is a Director, s/he is not subject to the National Minimum Wage (NMW.) However, directors can also have a contract of employment which makes them a 'worker' or 'employee' and they would then be subject to the NMW and treated as any other employee. You must check that your customer does not have a contract of employment.
219. Company directors are classed as 'office holders' in Common Law and Company Law does not limit what a director can do. They can work in the capacity of director no matter what work they do in the company or how they are paid (e.g. receive a weekly wage/receive an annual share of the profits etc.) Some directors choose not to draw a wage/salary until the business is established and is making a profit. Even if the customer is a director and is carrying out work that you might expect an employee to do it does not mean s/he is an employee working under an implied contract. If there is no contract of employment NMW does not apply.
220. The link to this HMRC bulletin provides further useful information.  
<http://www.hmrc.gov.uk/bulletins/tb50.htm>

## **Test Trading**

221. This is a complex area and advisers must be careful to examine each case thoroughly to ensure they advise the customer correctly. Before assessing and advising the customer you must [check the NDLP self-employment provision](#) and [Annex 1 - Test Trading and Tax Credits and customer scenarios](#).
222. Her Majesty's Revenue and Customs treats lone parents in test trading as being in self employment. Jobcentre Plus treats these customers as in training and therefore In Work Credit is not payable during the period of stage 3 test trading.
223. For lone parents in receipt of Income Support and Child Tax Credits there is no choice but to claim Working Tax Credits. In the vast majority of cases, this will extinguish the mainstream benefit.
224. Stage 3 test trading can last for up to 26 weeks. If the customer continues in self employment at the end of the stage 3 test trading period the payments of Working Tax Credits received during the period of stage 3 test trading can be treated as a qualifying benefit towards the 52 week qualifying period.
225. Providing that all Jobcentre Plus support has ended and the customer continues to trade in unsupported self employment without a break, IWC will be payable providing all other eligibility criteria are met.

## **Self employed Childminders**

226. If the customer is applying for IWC as a self-employed childminder, you must establish if they need to be OFSTED registered in England, Care

Commission for Scotland or CSSIW (The Care and Social Services Inspectorate Wales). Not all childminders need to be OFSTED registered (e.g. if caring solely for children aged 8+). For up to date guidance on registration for childminders please use the following hyperlink to access the OFSTED website [OFSTED](#). If the childminder has to be registered, they must be registered before IWC can be considered. Registration can be a lengthy process. Customer's should not sign off benefit and commence childminding until the registration has been approved.

227. They cannot be registered as a childminder for looking after their own children, but grandparents can be registered as childminders for looking after their grandchildren.

228. You must ask the customer to provide verification that they are registered with the required authority.

### **Sub-contractors**

229. Some self-employed customers may be responsible for their own tax and national insurance contributions but receive a fixed sum each week from their employer and have no business expenses. These customers will not have a business plan but they should have a contract or written agreement showing the hours or estimated amount of work they will be given.

230. If a contract is not provided, the customer must provide written confirmation from their employer of the hours they have worked at each review.

### **Foster Carers**

231. Customers who are foster carers are exempt from Lone Parent Obligations and can continue to claim Income Support. The fostering allowances they receive are disregarded for benefit purposes. If the person continues to be a foster carer and additionally takes a job or starts self-employment of 16 hours or more per week they are able to claim IWC if they meet all the eligibility criteria.

232. The customer must have a child (children) of their own under the age of 16 living in their household to be a lone parent. Foster children are excluded when deciding if a customer is a lone parent.

233. Foster carers also have the opportunity to register as self employed with HMRC. HMRC treats the foster caring as self employment and the allowances they receive as self-employed earnings. In these cases, IWC can be paid provided that the customer can confirm their registration with HMRC, has terminated their benefit claim and are receiving WTC and meets all the eligibility criteria for receiving IWC.

### **Commission only employment**

234. If a customer accepts a job that is paid on a commission only basis, they need to obtain written assurance from their employer guaranteeing that the commission paid will be equivalent to the [National Minimum Wage](#) or above. If this is not provided the job will be deemed not suitable for IWC purposes.

## **Bursaries**

235. Student nurses in receipt of bursaries are not eligible for IWC because they are classified as students and not in employment.
236. Bursaries are usually only paid to students and as such IWC will not be payable.

## **Apprenticeships**

237. Customers wishing to commence work as an apprentice can receive IWC as long as they satisfy all off the 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](#) website.

## **Sleepover duties**

238. 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 customer 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](#).

## **Agency workers**

239. If the customer finds work through an agency the hours worked will determine eligibility for IWC. For example, the agency finds the customer two jobs; the first is for 8 hours per week and second is for 10 hours per week. As the customer is working 18 hours each week IWC would be payable provided all other eligibility criteria was met.
240. When the customer applies for IWC, they need to confirm that they will be working at least 16 paid hours per week for a minimum of 5 weeks. The customer will need to provide written confirmation from the agency that this will be the case to qualify for IWC. If this cannot be provided, claim to IWC cannot be allowed.

## **Voluntary work**

241. Voluntary work cannot be considered for the purposes of IWC.

## **Customers accepts a job working abroad**

242. If the customer is taking up a job working for an overseas employer/a job based outside the UK, IWC can only be paid if the job is subject to UK employment legislation and taxation

# **Chapter 06 – Making the IWC Eligibility Decision**

## **Customer does not satisfy 52 week qualifying period**

243. If the parent does not satisfy the qualifying benefit conditions, then check to see if they are entitled to ['Balance of time'](#) from an earlier claim.

## Customer not eligible - action to take

244. If you decide that IWC is not payable all the actions in the following table must be taken.

Step	Action
1	Annotate the IWC1 – Customer not eligible.
2	Inform the customer why they are not entitled to IWC providing a full explanation, issue the Customer not Eligible letter ( <a href="#">letter 2</a> ) to the customer, detailing the reasons why they are not entitled to IWC.
3	Record in LMS Conversations the reason(s) why the customer is not eligible to receive IWC.
4	Update the LMS Pilot Marker to IWC Not Satisfied

245. The decision must be fully documented to create an audit trail so that the information is available in the event of:

- a complaint being made;
- a request for reconsideration is received; or
- the same application being re-submitted in the future

## Customer Disagrees with IWC Decision

246. IWC is paid under the legislative cover of the Employment and Training Act 1973 and the customer has no right of appeal.

247. Although the customer has no right of appeal, IWC has adopted a reconsideration process for customers who are not satisfied with the decision they receive. The customer can ask for **one** review or reconsideration of a decision.

248. The customer should be advised to put their reasons in writing and must request reconsideration within **one calendar month** of the day after the decision on ineligibility was made i.e. the day after [Letter 2](#) was issued.

249. If a customer requests a re-consideration or re-submits a claim, this should be examined by another IWC officer or IWC Team Leader to determine whether the award is now appropriate.

250. When the customer asks for a decision to be reconsidered the following details must be recorded in LMS Conversations:

- The date the letter was received from the customer;
- The decision the customer is disputing and why; and
- To whom the letter has been referred for a review of the decision.

251. If the award is still not appropriate, a further written explanation must be given to the customer. Fasten a copy of this decision securely to the IWC1 to maintain an audit trail and make a note in LMS 'Conversations' of the action you have taken.

252. The following details must be recorded in LMS 'Conversations' by the reviewing officer:

- Details of the outcome of the reviewed decisions;
- The date the outcome decision letter was issued to the customer.

253. The IWCTL should consider if misadministration has occurred.

Examples include:

- An unreasonable and/or exceptional delay in dealing with a claim;
- Failing to apply the law correctly;
- Failing to follow correct procedures;



- Giving incorrect, inadequate or misleading information;
  - A decision maker makes a wholly unreasonable or clearly incorrect decision.
254. N.B. A decision is not necessarily misadministration simply because for example it is over-turned on review or subjective judgment finds it unreasonable.
255. This list is not exhaustive. For further information on action to take please see [Special Payments Guidance](#).
256. It is important to note that in cases where misadministration is proven, a customer still has to meet all of the eligibility criteria to qualify for IWC. If they do not meet these conditions IWC will still not be payable.

## Chapter 07 – IWC Review Process

### Dates of the mandatory review

257. The IWC has mandatory reviews at:
- Week 12 (referred to as the first review)
  - Week 26 (referred to as the second review)

### Managing IWC reviews

258. Select the [IWC spreadsheet](#) to access a copy of a blank review spreadsheet. Offices may wish to use this as a tool to help them manage the review process. It is not intended to replace the following step and action review process that must still be followed for all IWC cases.
259. By using the spreadsheet you will be able to see how many customers have started on IWC, how many reviews are required in any week and how many customers are self-employed. You will also be able to view balance of time and exhausted cases
260. If you wish to view the spreadsheet please use the link to Excel file below. Once you have opened the spreadsheet you will need to save it as an Excel document in your documents or in an appropriate place in the shared drive. The spreadsheet must be password protected. Contact your local Security Adviser for further advice.
261. If you wish to adapt the spreadsheet for local use, you must ensure that this is done after you have saved it locally.
262. Instructions for using the spreadsheet can be found by using the following link. [Spreadsheet instructions](#).
263. The following process must be followed for both of the reviews, with LMS Workflows being set to mature 4 weeks prior to the review date.
264. The first LMS workflow will be received 8 weeks after the customer commenced work. Alternatively the review database indicates when the review date is reached.
265. At this point the following action must be taken:

Step	Action
1	complete and issue <a href="#">Mandatory review - request for information letter 4</a> to the customer, requesting wage slips or details of trading if self-employed; <b>Note: depending on local arrangements the request for</b>



	<b>information can be undertaken by telephone but must be recorded in LMS conversations.</b>
2	If the customer is self-employed they can be requested to provide suitable evidence of self-employed income, on form <u>IWC5</u>
3	record in LMS Conversations the date letter 4 was issued;
4	set an LMS Workflow for 10 working days from the date that the letter was issued to check whether evidence has been provided

## **Evidence received within the timescale**

### **Check the evidence is suitable/acceptable**

266. When the evidence from earnings/income from trading is received check that:

- it refers to the customer;
- it covers the two most recent pay periods or is a letter from the employer confirming employment for the period and includes income from any self-employment;
- the job complies with the National Minimum Wage. Please refer to the Vacancy Taking Guide [NMW and Self-employment](#) for further information; and
- the customer has not re-claimed any benefit.

### **Checking evidence when the customer is self-employed**

267. Consider the type of self-employed work the customer has undertaken to determine the suitable evidence required. For example if the customer is starting self-employment as a mobile hairdresser, suitable evidence could include:

- diary of appointments, detailing customers;
- business cards;
- business bank account; and/or
- receipts for items purchased for example, petrol, hair products.

268. Use your discretion to ask for evidence that is reasonable for the type of self-employed work undertaken. The evidence that is requested must satisfy you that the self-employed work is legitimate and is being undertaken for at least 16 hours or more a week. Further information is contained under [self-employed](#), [company directors](#) and [sub-contractors](#).

269. If self-employment involves a shop lease then examples of suitable evidence could be:

- lease details of the premises;
- public liability insurance;
- ID number issued by Tax Office;
- business accounts; and/or
- receipt books.

270. Note: Original documents should be verified and a copy retained in the customer file. The originals should then be returned to the customer.

## Evidence that is unacceptable

### Inappropriate wage slips

271. The Trade Union Reform and Employment Rights Act 1993 amended by the Employment Protection Regulations 1995, states that an employer must issue employees with itemised pay statements showing gross and net pay and deductions for each pay period.
272. If the customer states that they have not received suitable pay statements or you determine that the pay statements are not suitable, the employer may be in contravention of the Act and you should consider terminating IWC payments.
273. As long as the employer complies with the Employment Protection Regulations 1995, wage slips of any form can be accepted. If the customer provides hand written wage slips you should make sure they are genuine.
274. If you have any serious doubts about the evidence that has been provided being genuine, then you should consider termination of IWC payments.

### Evidence is suitable

275. On receiving evidence of employment/self-employment, the following action must be taken:

Step	Action
1	Check that the evidence has been received within 10 working days from the date that the letter was issued;
2	check that it is suitable evidence;
3	clear the outstanding workflow, once suitable evidence accepted;
4	issue <a href="#">Action to be taken after review letter (letter 6)</a> to the customer advising them IWC will continue to be paid;
5	set a workflow for the next review.

276. This process should be repeated for the remaining review at week 26.

277. After completing the final review the following action must be taken:

Step	Action
1	Set a workflow for the end of the 52 week period,
2	Issue <a href="#">Action to be taken after review letter, (letter 6)</a> advising the customer that IWC will cease after this final award.

### Evidence is not suitable

278. If evidence is received which is not suitable then you must:

Step	Action
1	Issue <a href="#">Mandatory review - request for suitable evidence reminder letter (letter 5)</a> to the customer explaining why the evidence is not suitable;
2	Record in LMS Conversations why the evidence was unsuitable;

3	Set up an LMS Workflow for 10 working days (from the date the letter informing the customer that their evidence was not suitable) to follow up whether further evidence has been received.
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279. If suitable evidence is not received within the 10 working days, the customer will be informed in writing on [Termination of IWC payments \(letter 7\)](#) that their IWC payments have been terminated.
280. A RM3 must be completed and sent to Purchase to Pay, Cardiff to terminate the IWC payments. The termination date should be 10 days after the date the 2<sup>nd</sup> reminder letter was issued.
281. You must also set the LMS pilot marker 'IWC not satisfied' in the View Pilot Details Window.

### **Evidence shows that customer is not in suitable employment**

282. If on receipt of evidence, it becomes apparent that the customer is not being paid for 16 hours or more per week, you will need to establish the reason why.

### **Example**

- When Chloe sends her payslips they show that she is paid for 15 hours per week, after making enquiries with the employer, her employer confirms that Chloe is required to attend her place of work for two 8 hour days per week but she is not paid for her 30 minute meal breaks each day. IWC is not payable as Chloe is not paid for 16 hours per week.
283. Take action to close the IWC claim and stop payments to the customer. (see [table at 'If Change affects IWC'](#) for the action to take). The customer must be informed in writing of the reason why her IWC payments have been stopped using [Termination of IWC payments \(letter 7\)](#).

### **Evidence is not received within the timescale**

284. If evidence has not been provided within 10 working days from the date the original letter was issued, then the LMS workflow reminder will mature and the following action must be taken:

Step	Action
1	Issue a reminder letter, <a href="#">Mandatory review - request for evidence reminder letter (letter 5)</a> to the customer;
2	record in LMS Conversations the date that the letter was issued;
3	set an LMS Workflow for 10 working days from the date that the letter was issued to check whether evidence has been provided.

285. If evidence is received within 10 working days from the date that the reminder letter was issued, then you should follow the appropriate instructions depending on whether the evidence provided is suitable or not.
286. If no evidence is provided within the 10 days from the date that the reminder letter was issued, then the IWC payments must be terminated.

287. A RM3 must be completed and sent to Purchase to Pay, Cardiff to terminate the IWC payments. The termination date should be 10 days after the date the 2<sup>nd</sup> reminder letter was issued.
288. The customer must be notified in writing that IWC payments have been terminated on [Termination of IWC payments \(letter 7\)](#), giving the reason why IWC has been stopped. At this point the IWC case should be closed by amending the LMS Pilot Marker to Ended – Balance of Time Rem. and filing the claim documents.

### ***Reinstatement of IWC following late receipt of suitable evidence***

289. If the customer provides evidence at a later date which confirms they have been continuously eligible and the evidence is received before the end date of the 52 week entitlement period reinstate IWC from the date after last payment made if you feel they have provided an acceptable reason for the delay. Check with Shared Services Purchase to Pay the last date that the customer was paid for by telephoning their helpline on 0845 602 8244. A new IWC1 is not required. If the evidence is received after the end of the 52 week entitlement period, IWC cannot be reinstated.
290. The [In Work Credit Application/Review Checklist](#) may be used to record action taken.

### ***No further review required – 52 payments received***

291. IWC payments will cease when 52 weeks have been paid. It is the responsibility of Jobcentre Plus to ensure that customers do not receive more than 52 payments. Particular attention must be made when completing RM2's to ensure that the correct payment period is entered as Shared Services, Purchase to Pay Cardiff will only make payments for the period shown on the RM2.
292. If you are concerned that payments may not/have not ceased at the end of the 52 week period, it is good practice to check with Shared Services. This is an optional extra check.

## **Chapter 08 – Change of Circumstances**

### **Change of circumstances notified**

- [Customer changes address](#)
- [Change to family circumstances](#)
- Work ends
- [Customer is suspended from employment](#)
- [Customer is on unpaid holiday leave](#)
- [Unpaid holiday for bank staff](#)
- [Maternity cases](#)
- [Customer off work due to illness](#)
- [Hours of work reduced to less than 16 hours per week](#)
- [Change of circumstances does not affect IWC](#)
- [Change of circumstances affects IWC](#)
- [Customer Statement not signed](#)

- [Customers changes employer – break between jobs](#)
  - [BDC/CC notifies Jobcentre Plus office of change of circumstances](#)
293. The customer may have changes in their circumstances during their IWC payment period.
294. Jobcentre Plus staff can receive notification of a change of circumstances by telephone, post, or in person.
295. Where a customer notifies a change by telephone or in person at a Jobcentre, establish whether the change will affect entitlement or payment of IWC.
296. If the change does not affect IWC, the customer is not required to confirm the change in writing. Record details of the change on an IWC3 but do not obtain customer signature.
297. If the change will affect IWC payments an IWC3 Change of Circumstances form must be completed and signed by the customer. This must then be retained with the customers IWC1.
298. If the change affects IWC payments an [RM3](#) Change of circumstances/Termination form should be e-mailed to the SSC immediately to avoid any overpayments. Details of the change must be recorded in LMS conversations.
299. Once IWC has been awarded, any change in family circumstances does not affect payments of IWC e.g. child reaches age 16, children no longer living in the household, new partner joins household. This also applies when considering Balance of Time.

### **BDC/CC notifies Jobcentre of change of circumstances**

300. Jobcentres may be notified of change of circumstances by Contact Centres or BDCs.
301. If the change affects entitlement to IWC, immediate action must be taken to cease payments.
302. For more information see [BDC](#) action or [CC action](#).

### **Customer changes address**

303. If the customer moves address they can continue to claim IWC, but they must notify Jobcentre Plus that they have changed address.
304. The IWC will continue to be administered by the original office, and all correspondence can be carried out by post. [RM3](#) Change of circumstances/Termination form should be completed and e-mailed to SSC who will action the change of address. For action see [If the change of circumstances affects IWC](#). The originating office should also keep a copy of all correspondence/paperwork.
305. The rate of IWC (i.e. £40 or £60 in the London districts) the customer receives will not change if the customer changes address / moves in or out the boundary of the London Districts.

### **Change to family circumstances**

306. Changes to family circumstances (e.g. dependant child no longer under 16, customer is no longer a lone parent) will not affect their IWC claim. This is because eligibility is determined at the time they made their initial application.

## **Work ceases**

307. If the employment or self employment ends and the customer does not have alternative work to start immediately, then IWC payments will need to be terminated. Take action to stop payments by completing form [RM3](#), see [Change of circumstances affects IWC](#) for action to take

## **Customer is suspended from employment**

308. A customer in receipt of IWC who has been suspended from employment by their employer, with or without pay, is deemed to be working. Provided that their contract of employment has not been terminated and they do not claim benefit they will continue to be eligible for IWC.

## **Customer is on unpaid holiday leave or special leave**

309. If an employee takes unpaid leave and is still under contract of service with the employer then IWC payments should continue. The customer must intend to return to work at the end of the holiday period. If the customer does not return to work at the end of their period of unpaid leave, an overpayment of IWC will have occurred from the end of employment.

## **Unpaid holidays for bank staff**

310. Bank staff who do not receive payment when on leave can continue to receive IWC for the period of leave as long as they do not make a claim to a JCP benefit during the period of unpaid leave.

## **Maternity Cases**

311. If a pregnant customer, who is still under contract with her employer and qualifies for Statutory Maternity Pay (SMP), claims IS, IWC will cease. If the LP returns to work within 52 weeks and satisfies the IWC criteria, she would be entitled to Balance of Time of IWC.
312. Where a customer becomes pregnant and claims SMP, and they are still under contract with their employer and does not claim IS, then IWC payments can continue during their period of maternity leave.
313. If the customer does not qualify for SMP, she can claim Maternity Allowance (MA) but IWC must be stopped from the date MA is claimed. Note that if the customer is not awarded MA, she should claim IS or ESA (cease IWC from the day these benefits are claimed). If the LP returns to work within 52 weeks and satisfies the IWC criteria, she would be entitled to Balance of Time of IWC.

## **Customer is absent from work due to illness**

314. If a customer is absent from work due to sickness and the employer pays them Statutory Sick Pay (SSP), the customer is classed as still being in employment and IWC payments should continue. If SSP is not paid and the customer claims a JCP benefit then IWC should cease. Customers returning to work after a period of sickness where they have not received SSP may be entitled to receive the remainder of their 52 weeks IWC under balance of time.



## **Customer claims ESA**

315. If the customer stops work due to illness and claims ESA, then payment of IWC will cease. If the customer then returns to work after a period of illness and they are still employed i.e. the contract of employment has not ceased, and the IWC criteria is still met, then [Balance of Time](#) can be considered for the customer.

## **Example**

- a customer is employed for 8 weeks and receives IWC payments;
- the customer is then ill and does not work for a period of 3 weeks and claims ESA;
- after the 3 weeks the customer returns to work and satisfies the criteria for claiming IWC;
- IWC can be considered on Balance of Time for a further 44 weeks, as 8 weeks have already been paid;
- the customer must make a new application for IWC using form [IWC1](#), within 5 weeks of returning to work.

## **Customer does not re-claim benefit**

316. If the customer ceases work but does not re-claim benefit IWC will cease unless it is known that they are returning to work within 4 weeks. If they do not return to work within 4 weeks but return to a job that satisfies the IWC criteria within 52 weeks of their previous job, the balance of weeks owed can still be paid.

## **Hours of work reduced to less than 16 hours per week**

317. Customers may contact Jobcentre Plus to report that their working hours have been changed and are now below 16 hours per week. In these instances it is important to establish why the hours have been reduced and if it is a short-term change due to the economic downturn.
318. If the customer is still contractually employed but their employer has temporarily reduced their hours of work to below 16 or stated they will not have any work for them for limited period, the customer can continue to receive IWC for that period (up to 4 weeks) as long as they do not make a claim to a Jobcentre Plus benefit for that period. Any reduction in hours can only be allowed for 4 weeks and then the IWC claim must be closed.
319. If, even though the change is temporary, the customer makes a claim to a Jobcentre Plus benefit, their IWC must be stopped from the date they make the claim.
320. In some instances, we may discover at a mandatory review that the customer is not working 16 hours. Take the action above to establish whether IWC can continue.
321. If the reduction in hours continues for more than 4 weeks, the claim to IWC must be terminated from the day after the last day of the 4 week period. This ensures that IWC and WTC processes are the same. See if [the change affects IWC](#) for further information.
322. If the customer informs us that their hours will increase to over 16 per week in the future the customer must be informed that they will need to complete a new IWC1 when this happens. They will be able to claim the



remaining weeks of IWC under Balance of Time rules in this situation.  
See [Balance of Time](#) for further information.

### **If the change of circumstances does not affect IWC**

323. If the signed statement includes details of a change that will not affect IWC payments must take the following action:

Step	Action
1	update LMS, if appropriate, with details of the change;
2	file the signed statement in the clerical records for the customer.

### **If the change of circumstances affects IWC**

324. If the signed statement include details of a change that will affect IWC payments. Take the following action:

Step	Action
1	From the DWP or JCP Home page select A - Z
2	Select R
3	Select Resource Management Information and Help
4	Select Payment Authority Forms from the Related Links list on the right of the screen
5	Select RM Payment Authority Forms
6	Select <a href="#">RM3</a> Change of circumstances/Termination form Change of Circumstances/Terminations
7	Complete the <a href="#">RM3</a> Change of circumstances/Termination form (guidance on completing the form is available by accessing the RM3 Aide Memoir accessed via the RM3 form). The effective date of the change is the actual date that the change occurred rather than the Tuesday pay day. For example if a customer finishes work on Friday 20/05/11, the termination date entered must be 20/05/11. Shared Services will then make the final weekly payment for the week ending 24/05/11. This is because IWC is only paid for whole weeks.
8	It is essential that the correct Company and Cost Centre Codes are entered onto the <a href="#">RM3</a> ; please see <a href="#">Account and Cost Centre Codes</a> for details of the codes to be used.
9	Select the validate button, an office copy is automatically printed once validated;
10	File the copy of the <a href="#">RM3</a> Change of circumstances/Termination form in the customer's record file;
11	Update the pilot marker and record details of the change in LMS;
12	Issue <a href="#">Termination</a> of IWC payments letter 7 to the customer explaining why IWC payments have ceased.
13	Check the final version of the <a href="#">RM3</a> Change of circumstances/Termination form is correct before selecting the email button and the completed form will be emailed to SSC

### **Customer Statement not signed**

325. If the statement is not signed and payments will be affected by the change, you must ask the customer to sign it and return it urgently. On receipt of the signed statement, take the appropriate action as detailed above.
326. If the statement is not completed correctly and you cannot establish whether payments will or will not be affected by the change you must take the following action:

Step	Action
1	Return the statement to the customer with a covering letter asking the customer for detail where required;
2	Update LMS with details of why the form has been returned.

### **Customer changes employer and there is a break between jobs**

327. If the customer changes employer whilst in receipt of IWC, then IWC will continue to be paid to the customer providing that there is a break of 4 weeks (effective from 15<sup>th</sup> June 2009) or less between jobs, and they do not claim benefit.
328. The customer must provide the new employer details in writing. This should be retained in the customer file and a note made in LMS conversations. You must check that the new employment satisfies the [suitable employment criteria](#).

## **Chapter 09 – Balance of Time and Requalification**

### ***Balance of Time***

329. Due to the extra work involved with Balance of Time cases, it is recommended that Personal Advisers take IWC1 action only. They should forward the completed the IWC1 to their local IWC processing team, who will establish whether the customer can receive IWC under Balance of Time and how many weeks IWC they will be due and will then complete the RM2 payment authority form.
330. Personal Advisers should contact their local IWC processing team if they have any questions regarding a customer's entitlement to IWC under Balance of Time.
331. IWC is payable for 52 weeks to all customers who meet the eligibility criteria. IWC will cease during this period of the customer ceases work, hours of work fall below 16 hours per week or the customer re-claims benefit.
332. If the customer has not received the full 52 weeks payments, Balance of Time (i.e. the remainder of the 52 weeks) is available if the customer returns to further suitable employment within 52 weeks. For more information see [Is the job suitable?](#)
333. If the customer returns to suitable employment/self employment within 52 weeks of their previous IWC claim ending, the balance of weeks owed can be paid as long as the job criteria are satisfied and the job is expected to last longer than 5 weeks. This is regardless of whether they have been in receipt of benefits during the period that they have not worked.

334. If there has been 52 weeks or more since their last IWC claim ended the customer will not be entitled to receive any remaining weeks under Balance of Time. They will need to satisfy all the IWC qualifying conditions to enable them to be eligible for a new 52 week period of IWC if they enter suitable employment/self-employment.
335. If a customer finishes a job and moves directly from one job to another with a break of no more than 4 weeks (this aligns IWC with WTC which continues to be paid for 4 weeks after employment ends), and does not claim benefit in between, IWC payments will continue to be paid across the break and Balance of Time is not applicable.
336. If the customer's family circumstances have changed since their original application, then Balance of Time can still be considered as eligibility is determined at the time they made their initial application.
337. If the customer were in receipt of IWC prior to 1 July 2007 they would have IWC at the rate of £40 per week in London districts. A subsequent claim to Balance of Time should be paid at the rate of £40 per week until the 52 weeks entitlement is exhausted.
338. If the customer has changed address since the original IWC claim, the Balance of Time claim should be dealt with by the original processing office (even if the new address is outside of their area).
339. To calculate the number of weeks already paid use the start and end dates on the previous [RM3](#) and related [RM3](#).

### **Balance of Time Applies – action to take**

340. You must consider if the customer will be entitled to IWC based on 'Balance of Time.' and issue the application form [IWC1](#), if appropriate.
341. If a customer is entitled to receive 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](#).
342. If the customer satisfies the Balance of Time, then they must make an application on form [IWC1](#), within 5 weeks of employment starting.
343. If a customer makes a claim to IWC on Balance of Time, then any [overpayments](#) of IWC from previous claim(s) cannot be offset against any Balance of Time owing.

### **Requalification for IWC**

344. If the customer returns to work after 52 weeks or more on a qualifying benefit then they will be eligible for a further 52 weeks IWC, provided the eligibility criteria is satisfied.
345. For more information on confirming eligibility see [Confirm eligibility in London districts](#) or [Confirm eligibility in non London Districts](#)

## Chapter 10 – LMS Action, Management Information and IWC Claim Checking

### **LMS Markers**

346. It is essential that the LMS Markers are updated at the appropriate stage to ensure accurate MI is captured. Even though IWC is available in all districts LMS Pilot Markers must be updated to ensure that MI is correctly captured.
347. The LMS Pilot Markers will need to be updated when claims are made and closed or if a claim under Balance of Time is made.
348. The initial temporary solution to capture information on LMS about customers who claim IWC is by using the IWC Pilot Marker. Many offices who have been delivering IWC through the pilot stage will already be familiar with this pilot marker. For the remaining offices, this functionality was made available in time for national implementation on the 7 April 2008.
349. In Work Credit will be listed with a dropdown list next to it with pilot stages.
350. If no pilot of any type has been set on the record, then it has to be launched from New Initiatives. Select "New Initiative" on the client record, and then select "IWC Pilot Marker" from the drop down list.
351. LMS Pilot Markers can only be updated by users in the 'Attending Office'. Where there are centralised IWC teams you will either need to ensure that Personal Advisers have updated the marker and where they have not ask them to or transfer LMS customer records to the office you are based in to update the marker please see [LMS User Guide Chapter H Part 3 - All Other Customer Functionality](#) for further information.
352. The markers and the points at which they need to be set are described below.

<b>LMS Marker Value</b>	<b>IWC Process Stage</b>
IWC Application Issued	Customer is issued with IWC application form
IWC Criteria Satisfied	Checked and confirmed that customer satisfies all IWC eligibility criteria
IWC Not Satisfied	Checked application and established customer is not eligible for IWC
IWC In Payment	RM2 has been input onto RM (only completed at the outset of any claim)
Do Not Select this Stage	<b>This must not be used</b>
Ended Balance of Time Rem.	Enter when customer claim to IWC ceases prior to their full 52 weeks and Balance of Time remains
Exhausted Rec'd Full Ent.	Enter when customer has exhausted their full 52 week IWC allowance

## ***Checks of IWC payments***

353. When a customer makes a claim to In Work Credit (IWC) the IWC approver will ensure application forms are completed correctly and passed to the IWC authoriser for payments to be authorised. There is also an audit requirement that the IWC authoriser performs a 100% pre-authorisation check of these applications to ensure:
- customers are eligible
  - claims have been dealt with promptly and correctly and
  - there is consistency in the way customers are dealt with.
354. In addition to the pre-authorisation checks there is a requirement to carry out a monthly check of the IWC payments made in each month by each district/region.
355. The purpose of the check is to reconcile transactions and identify erroneous and potentially fraudulent payments to individuals, including members of staff, by verifying the frequency, amount and source (cost centre and account codes) of Jobcentre Plus expenditure.
356. With effect from 14 January 2010 a new BCS check JCP00065 was created for IWC claims. Please ensure that you complete the BCS checks as per instructions in the [BCS guide](#). If you have any queries regarding the BCS checks these should be raised with BCS team, details are available on the [BCS Homepage](#).
357. It is important to note that you not required to complete the JCP00070 BCS check which was introduced in November 2010 for IWC claims. This is these details are checked in the IWC only check JCP00065 and would duplicating that work.
358. Sample sizes should be selected/agreed at Senior Management level, usually the District Manager on the basis of risk, with specific focus towards high frequency payments. The minimum number of checks required is 10% or 20 cases (which-ever is the lesser) of all IWC payments made each month in each district.
359. Checking and assurance officers should carry out the check and must have not been involved in approving or authorising any of the applications. They will need to be familiar with the IWC process, guidance and forms.

## **Case Selection**

360. Each month, the RM transaction listing report Discoverer A2FR – GL16 must be run. The relevant start/end dates, cost centre and IWC account codes should be entered to produce a list of all IWC payments made during the specified month.

## **Undertaking the IWC test checks**

361. Checkers must conduct a full check of all the cases selected. For each customer selected, they should obtain the IWC claim documents.
362. On receipt of the documents they should check to ensure that:
- the customer was eligible to claim IWC
  - the correct forms have been used and completed promptly and accurately
  - payments were authorised by the IWC authoriser

- the IWC was authorised by an officer with the correct level of delegated financial authority.
  - the correct account code and cost centre codes have been used.
  - all applications were made within 5 weeks of starting work.
  - employment was suitable and complied with Employment Legislation, i.e. national minimum wage.
  - work was expected to last more than 5 weeks; and
  - the relevant benefit claim has been closed down.
363. If the customer selected has been in receipt of IWC for more than 10 weeks, the documents required will include copies of the wage slip used at the 10-week check. If the 12 week check has **not** been conducted, this should be recorded as an error and the customer contacted in order to provide the relevant details (as per IWC Guidance).
364. If the customer has been claiming IWC for 10 weeks or less **do not** request wages slips or evidence of trading. This will duplicate the request made at the 8-week stage.

### Checking customer eligibility

365. Access the ISCS/PSCS Live Service to check that the customer:
- has been in receipt of a specified benefit (IB, ESA, IS, JSA or SDA) for 52 continuous weeks immediately prior to the customer starting work; or
366. To ensure the customer was eligible for IWC at the time of application you must check that:
- the IWC Application form was correctly completed, signed by the customer, approved by the IWC approver and payments authorised by IWC authoriser
  - form RM2 has been completed correctly, authorised and issued to Cardiff Shared Service Centre
  - the initial contact regarding IWC was made within 5 weeks of starting work and the paperwork was received within that period
  - the customer's job complies with employment legislation, i.e. National Minimum Wage
  - the work was expected to last 5 weeks or more and
  - for customers who are self employed, an approved Business Plan (if available) or evidence which confirms customer is working at least 16 hours per week, please select the following link for further information on acceptable evidence [self employed evidence](#) .

### Customer Ineligible

367. If it appears that the customer is not eligible for IWC contact the relevant office to ensure that IWC is stopped immediately.
368. If fraud is suspected take the appropriate fraud referral action immediately **checking that the benefit claim has been closed down.**
369. Determine which specified benefits were in payment within the 5-week period prior to the customer starting work.
370. Check whether the relevant benefit team has been notified that IWC has been claimed and that the benefit claim was closed down. If benefits are still in payment, inform the relevant benefit team that the customer is



claiming IWC, in order that the IWC or benefit is stopped and the value of any overpayment is minimised.

## Checking Forms

371. Check that copies of correct forms are being used and that they were correctly and promptly completed and the forms were authorised appropriately.

## Change of circumstances

372. Check that changes of circumstance have been correctly recorded and actioned and payments have been stopped where appropriate.

## Written information/requests

373. Check that notes or copies are kept of any written information supplied by the customer or written requests, i.e. requests for evidence of trading;

## Self employed

374. If a business plan was provided, check that it is fit for purpose. Not all self employed customers will have a business plan and further evidence of the work the customer is undertaking will be required. See [evidence for self employed customers](#) for further details on the type of evidence that should be provided. You must be able to satisfy yourself that the customer was and still is continuing to meet the job eligibility conditions for IWC.

## 12/26 week check

375. Check that correct action was taken at the 10/24 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 IWC Application form and complied with minimum wage legislation
- for self employed customers, suitable evidence of trading was supplied. 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 customer can show that they have been working for at least 16 hours per week.

## Running Transaction Listing Reports

376. The correct account and cost centre codes must be used in order to run district transaction reports from RM. The cases selected for checking must not feature the same customer more than once.

## How to Print Transaction Listings (TRX LISTS)

- Click on RM desktop Icon
- Click on **Reporting**
- Click on **LOGON-Apps Logon Links**
- Click LOGON to E-Business Suite Home- **E Business Homepage**



- Input user name and password (usual RM login)
- Click on **DWP BIS JCP Financials Intelligence viewer**
- Click on **Viewer**
- Click on the report on list “**Discoverer.A2FR-GL16** (replaces JCP06)
- Top left of page-default to “**with subtotals**” or can be changed to “**without subtotals**” depending on preference.
- **Cost Centre**-input a range of cost centres i.e. 157015 – 157027, or an individual cost centre code i.e. 157015-157015.
- **Account Codes**- can request either
  - the full range of account codes 00000-99999 (default settings),
  - individual codes i.e. 32550 to look at Postal costs
  - A smaller range 30000- 39999, to look at goods and services expenditure only.

### **Warning- these shorter ranges will take more time to run**

- **GL Period**- Dates are available via a scroll bar menu,
- April 08, would be shown as **APR- 0809**. A range of dates can be requested by holding down CTRL button while clicking relevant dates.
- Click on **apply parameters**. If report to take more than 60 seconds, will get a warning message and you will be asked to click a link – **Continue to run query**.
- When report completed – click on **export data**. Will Default to an excel workbook option and click on either **export data** buttons.
- You will get a **File Download** box and need to select **open** and when prompted **enable macros**
- When the document opens, the column widths will need adjusting to make it easier to view– right click on the first column heading and make column width smaller, i.e. 20 instead of 210- you may need to do this on several other columns.
- Filters can be put on the report if required.
- Save to an appropriate folder.
- To request another report, click at top of page on “**open workbook**” to take you back to the **Discoverer A2FR-GL16**, without having to re-login.

## **Chapter 11 – Non Receipt of IWC Action and Overpayment Processes**

### ***Non receipt action***

377. Queries relating to the non-receipt of an IWC payment should be referred to the Shared Services, Returned Payments Investigation team at Norcross in writing. Before contacting the team you should telephone the Helpdesk to confirm the payment has been issued and sent to the correct address.
378. The Returned Payments Investigation team will investigate and take all necessary replacement action or direct you to replace a payment locally.

379. P2P provide a telephone enquiry service during the hours of 0830 – 1630 Monday to Thursday and 0830 – 1600 on a Friday. The Helpdesk can be reached on **0845 602 8244**. All payment related questions should be addressed to the Helpdesk in the first instance.
380. P2P are mindful of the need to ensure that callers are genuine before disclosing information. As a guiding principle, the P2P Helpdesk will not give information about payments to anyone other than the payee or a DWP employee who requires it to carry out their job. No information will be divulged to a caller if there is any reasonable doubt about their authenticity. Callers will be asked to provide certain details to confirm their authenticity before any information is divulged. Examples of the types of information that can be requested are NINOs, Post Codes, Date of Birth, Amount of Claim, Period of Claim, invoice number etc.
381. If there is doubt over the authenticity of a caller claiming to be a DWP employee they will be told to submit the request in writing. Doubtful external callers will be told to contact the DWP office the service/claim was authorised by.
382. The information they will divulge about a particular payment will be limited to the date and method of payment (ie “paid 1/4/06 by giro to the home address” or “paid 1/4/06 into a bank account”). They will not give out any personal details but will confirm that it has gone to a particular address or bank account if the caller provides them.
383. For further information please refer to RM [Payment Guidance](#) Chapter 6.

### ***Overpayment Process***

384. Following input of a termination date P2P, Shared Services, Cardiff will identify and calculate any overpayments. They will only instigate recovery action where the overpayment is over £120.
385. Overpayments of £120 or less will automatically be written off without any recovery action being taken.
386. If a Jobcentre Plus office identifies an overpayment and the IWC is still in payment, a Termination of Payments form ([RM3](#) Change of circumstances/Termination form) must be sent to P2P immediately giving the correct termination date. This will trigger any overpayment action. The [RM3](#) Change of circumstances/Termination form is automatically sent by Email to P2P once validated on line.
387. Once P2P have set up overpayment details on the RM system and notified the customer, the Accounts Receivable Team in Norcross pursues recovery of all overpayments of over £120 by letter. Two letters will be sent to the customer notifying them of the overpayment and requesting repayment. They will discuss and agree repayment terms with the customer if necessary. If the customer does not respond after the receipt of the overpayment recovery letters, no further action will be taken.
388. If the customer contacts Jobcentre Plus staff to discuss the repayment terms, they should be advised to contact the Accounts Receivable Team at Norcross on 01253 332248. Jobcentre Plus staff must not discuss or advise customers regarding repayments as this is a specialised area covered by the Accounts Receivable Team.

389. If you later receive verification that the dates of an overpayment given to P2P are incorrect, then the Personal Adviser should contact P2P by e-mail to [SHSVCS Cardiff Overpayments](#) giving details of the reason for termination and re-instatement if applicable.
390. If a customer makes a later claim to IWC on Balance of Time, then overpayments of IWC cannot be offset against any Balance of Time owing.

### **Example**

- A customer receives payment of IWC for a period of 14 weeks. The payments are terminated because evidence is not provided at the review stage (12 weeks)
- Evidence is provided at week 14 which confirms the customer ceased employment during week 8
- An overpayment of IWC amounting to 6 weeks has occurred (payments for week 9 to week 14)
- An RM3 Change of Circumstances/Termination form to the overpayment team at the Finance Office, Cardiff requesting an overpayment is raised for 6 weeks of IWC that has been incorrectly paid to the customer
- The customer starts a new job and criterion for making an application to IWC is met. The customer re-applies for IWC on [Balance of Time](#).
- Balance of Time is calculated by using the number of weeks that IWC has been correctly paid i.e. 8 weeks
- The customer would be entitled to a further 44 weeks of IWC
- An overpayment has been raised on the number of weeks overpaid on the previous claim to IWC (6 weeks). These weeks **cannot** be offset against the Balance of Time payments due.

## **Chapter 12 – Contingency Guidance**

391. When a major disruption to JCP or Shared Services occurs Business Contingency Plans will be invoked. Instructions will be issued as appropriate and as these may vary depending on the cause of the disruption so it is important that you follow the guidance issued.
392. Both JCP and Shared Services have Business Contingency Plans in place and these can be found by selecting the following hyperlinks [Jobcentre Plus Business Continuity Plan](#) or [Shared Services Business Continuity Planning](#). You will not need to be familiar with the contents of either of these plans; this is the responsibility of Business Continuity Managers and Boards, who will decide appropriate action in response to any disruption.

### **Labour Market system unavailable**

393. Instructions will be issued in the event of a major disruption to LMS.
394. Where there is a short term loss of LMS, LMS markers must be updated as soon as access is regained.

### **Opstrat systems unavailable**

395. Instructions will be issued in the event of major disruption to Opstrat.

396. Opstrat is used to check that customers satisfy the benefit eligibility criteria for IWC.
397. If Opstrat is unavailable locally, consider if it would be quicker to check the customer's benefit claim/s by completing form IWC2 and send to the appropriate benefit processing site. See [Claim held clerically](#) for further information.

### **RM Payment systems unavailable**

398. In the event of the Resource Management system being unavailable Shared Services will operate using Contingency Procedures.

### **Intranet Unavailable – no access to RM Payment Authority forms**

399. Microsoft Excel versions of the RM Payment forms (RM1, RM2 and RM3) must be held by Business Continuity Managers. In the event that Intranet access is not available the Excel versions of the forms should be used and forwarded to Shared Services (the relevant address is printed at the bottom of each form. A copy of the forms can found by clicking on the following hyperlink [RM Business Continuity Forms](#), these should be saved in shared folder and kept by both IWC processing teams and at Jobcentres where Personal Advisers complete the RM forms, where they can be accessed in the event of loss of Intranet.

## **Chapter 13 – Forms and Letters**

### ***Forms used for In Work Credit***

400. IWC forms can be obtained through RM/Zanzibar. The following PDFs are included for information only.

Form	PDF (English Language)	PDF (Welsh language)	Completion of Form
IWC1 In Work Credit Application Form	<a href="#">IWC1</a>	<a href="#">IWC1W</a>	<a href="#">Completion of IWC1</a>
IWC2 In Work Credit (IWC) confirmation of Benefit Details	<a href="#">IWC2</a>	Not available in Welsh (internal use only)	<a href="#">Completion of IWC2</a>
IWC3 In Work Credit – Change of circumstances	<a href="#">IWC3</a>	<a href="#">IWC3W</a>	<a href="#">Completion of IWC3</a>
IWC4 In Work Credit – Confirmation of Carer's Allowance	<a href="#">IWC4</a>	Not available in Welsh (internal use only)	<a href="#">Completion of IWC4</a>

IWC5 In Work Credit Self Employed Evidence	<a href="#">IWC5</a>	<a href="#">IWC5W</a>	<a href="#">Completion of IWC5</a>
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### **IWC1 - In Work Credit Application Form (version 04/10)**

401. Points to consider:

- Form IWC1 should be completed by the customer, i.e. the person starting work' in the office. If this is not possible issue / post the IWC1 with a '[postal application letter](#)' ([letter 3](#)) and a pre-paid envelope/label.
- Record the issue / return of form [IWC1](#) in LMS conversations and update the [LMS Pilot Marker](#).
- Form IWC1 can be issued and accepted for up to 7 days prior to the customer starting work. However IWC payments cannot be processed until it has been confirmed that the customer has started work.
- No IWC payments can be made unless there is a fully completed/authorised IWC1 in place.
- A separate IWC1 is required for each IWC application, including balance of time cases.
- The customer (i.e. person starting work) completes parts 1 to 5 and signs the declaration at part 6.
- Jobcentre plus staff complete the office address telephone number, the date the form was issued and the date it must be returned by (i.e. 5 weeks from job start date) plus parts 6 and 7.
- For further information see [Process IWC application](#)
- Retain completed IWC1 forms with the customer's clerical records. In no circumstances should form IWC1 be sent to Shared Services. For more information on RM Payment forms [Completing / processing form RM2](#)

### **Notes for completion**

402. Prior to issue, Jobcentre Plus staff should complete:

- the Jobcentre Plus address, telephone / text phone numbers; and
- insert the 'Date of Issue' and 'Date due to return' , i.e. 5 weeks from the date the employment start date. Explain to the customer that if the application is not returned with 5 weeks from the start date of employment, they will not be entitled to IWC.

### **Part 1 – Customer Details (Customer completion)**

- The details of the customer starting work. In London Districts this may be the main benefit recipient (i.e. starting work of more than 16 hours per week) or a partner of the main benefit recipient (i.e. starting work of more than 24 hours per week).

### **Part 2 – Partner / Ex partner details (Customer completion - if applicable)**

- This section may be used to confirm the customers benefit claim history to confirm eligibility.

### **Part 3 – Claim Details (Customer completion)**

- Explain the payment options to the customer. For more information see [Payment details of IWC](#).

### **Part 4 – Employment / Self Employment Business Details (Customer completion)**

- If the customer has more than 2 jobs another IWC1 form is required. In these circumstances the customer completes parts 1, 4 and 6

**Part 5 – Child Benefit (CHB) details (Customer completion)**

- This information is required to confirm that the customer has a dependent child, aged less than 16, living in the household. However if the CHB number is not available and you are satisfied that a dependent child under 16 lives in the household, do not delay the application by waiting to receive the number.

**Part 6 – Customers Declaration – (Customer completion)**

- Ensure that the customer understands and signs the declaration.

**Part 7 – Jobcentre Plus approval (Jobcentre Plus staff completion)**

- This section must be completed and signed by a Jobcentre Plus member of staff to confirm eligibility has been verified.

**Part 8 – Jobcentre Plus authorisation (Authorising Officer Declaration)**

- This section must be completed and signed by the Authorising Officer to authorise IWC payments. For further information see [Authorising Manager Action](#).

**IWC2 - In Work Credit (IWC) Confirmation of Benefit Details (version 1/08) (Jobcentre Plus staff completion – clerical benefit claims only).**

403. Form IWC2 should be used to confirm benefit details where the customer benefit claim is held clerically.

404. Points to consider:

- The referring officer completes their details (i.e. 'To: box') and the BDC details ('From: box') plus parts 1 to 3.
- The BDC completes part 4.
- The BDC should fax form IWC2 (with part 4 completed) to the referring officer within 24 hours.
- The BDC may e-mail the relevant details to the referring officer – however in these cases the e-mail must include the relevant customer / benefit claim information (see IWC2 part 4) plus the details of the BDC contact who confirmed the benefit claim information. The e-mail plus a hard copy of the form should be printed off and retained with the customer's file for audit purposes.
- For further information see [Claim held clerically](#).

**Notes for completion**

**Part 1 – Customer Details (Jobcentre Plus – referring officer completion)**

- Complete all boxes.

**Part 2 – Partner / Ex- partner details (Jobcentre Plus – referring officer completion)**

- Complete **only** if the customer has been a partner / ex partner of a customer on JSA/IS/IB/SDA/CA in the last 52 weeks.

**Part 3 – Referring officer (Jobcentre Plus – referring officer completion)**

- Complete in all cases. Ensure that the telephone number and fax number are included.

**Part 4 – Benefit Details (BDC completion)**

- All this section should be completed by the BDC - a signature must be included. The BDC should fax the form to the referring officer within 24 hours (see part 3). A delay will result in a delay of IWC payments for



the customer. If further information is required contact the referring officer immediately (see part 3).

### **IWC3 – In Work Credit – Change of Circumstances (version 1/08)**

405. Points to consider:

- Jobcentre Plus staff complete parts 1, 2 and 4
- The customer completes and signs part 3.
- For further information see [Change of Circumstances](#) notified.

#### **Notes for completion**

##### **Part 1 – Customer Details (Jobcentre Plus completion)**

- Complete all boxes

##### **Part 2 – Payment cancellation (Jobcentre Plus completion)**

- Complete **only** if the IWC payments should be stopped, i.e. the customer has ceased work, reduced their working hours to less than 16 hours per week or re-claimed benefit. Insert the 'termination date' e.g. the last day worked.

##### **Part 3 – Change of customer details (Jobcentre Plus completion with customer signature)**

- Tick the relevant boxes and ask the customer to sign to confirm that the new information is correct.

##### **Part 4 – Authorisation (Jobcentre Plus Authorisation Manager completion)**

- If the change of circumstances affects the payment of IWC form RM3 (change of circumstances / termination form) must be completed and e-mailed immediately to SSC. For further information on the action to take see If the change of circumstances affects IWC.
- The authorisation officer must sign to confirm that this action has been taken.

### **IWC4 – In Work Credit Confirmation of Carer's Allowance / London Districts only (version 1/08)**

406. Points to consider:

#### **For completion in London Districts only.**

- In most cases a period of CA can be confirmed by telephone. However form IWC4 can be used, if needed, to verify an award of CA. This form can be faxed to CAU. The relevant fax number can be obtained by telephoning 01253 856123.
- The referring officer completes their details (ie To: box) and the CA Benefit Team Details (From: box) plus parts 1 to 3.
- The CA Team completes part 4.
- The CA team should fax form IWC3 (with part 4 completed) to the referring office.
- The CA team may e-mail the relevant details to the referring officer – however in these cases the e-mail must include the relevant customer / benefit claim information (see IWC2 part 4) plus the details of the CA Team contact who confirmed the benefit claim information. The e-mail plus a hard copy of the form should be printed off and retained with the customer's file for audit purposes.
- For further information see confirming [CA entitlement](#)

#### **Notes for completion**

##### **Part 1 – Customer Details (Jobcentre Plus – referring officer completion)**



- Complete all boxes

**Part 2 – Partner / Ex partner details (Jobcentre Plus – referring officer completion)**

- Complete **only** if the customer has been a partner / ex partner of a customer in receipt of CA in the last 52 weeks.

**Part 3 – Referring officer (Jobcentre Plus – referring officer completion)**

- Complete in all cases. Ensure that the telephone number and fax number are included.

**Part 4 – Benefit Details (CA Team completion)**

- All sections should be completed by the CA - a signature must be included. The CA Team should fax the form to the referring officer.
- IWC5 In Work Credit - Self Employed Evidence (version 1/08)

407. Points to consider

- IWC customers undertaking self-employment must submit evidence at each mandatory review to support their self-employment and confirm that they are working / trading at least 16 hours per week.

**IWC5 In Work Credit - Self Employed Evidence (version 1/08)**

408. Points to consider

- IWC customers undertaking self-employment must submit evidence at each mandatory review to support their self-employment and confirm that they are working / trading at least 16 hours per week.

For more information see [Checking when the customer is self-employed.](#)

- Form IWC 5 should be posted to self employed customers with the mandatory review letter.
- Before issue, Jobcentre Plus should complete Parts 1 – and the relevant week ending dates (i.e. always a Tuesday) in part 2
- The customer completes part 2 and signs the declaration at part 3.
- When returning IWC5, the customer must also attach the supporting evidence.
- Please note that the customer may only complete 8 or 10 weeks details of self employment on the IWC5 if they return it immediately (as it is sent to them at week 8 and week 22). If they have established a working pattern of at least 16 hours and provide suitable evidence to support this, the IWC claim should be allowed to continue.
- Jobcentre Plus should retain copies of the evidence in the customer's clerical file and return the originals to the customer.

For further information see [Evidence of employment / self employment](#) and [Mandatory Review Process](#)

**Notes for completion**

**Part 1 – Customer details (Jobcentre Plus completion)**

- Complete all parts

**Part 2 – Business Details (customer completion)**

- It is good practice that Jobcentre Plus staff should complete the relevant week ending dates before the form is issued. Customers should record the number of hours worked for each week and list the supporting evidence. The evidence should be attached to the form.

**Part 3 – Declaration (customer completion)**

- The customer must sign and date the form. If the form is not signed it should be returned to the customer.

### ***Letters used for In Work Credit***

409. These letters should be saved in word, then amended and issued, on letter headed paper, as appropriate.

Letter Number / Description	English Language Version	Welsh Language Version
Letter 1 Notification of Payments	<a href="#">Letter 1</a>	<a href="#">Letter 1</a>
Letter 2 Customer not eligible	<a href="#">Letter 2</a>	<a href="#">Letter 2</a>
Letter 3 Postal application letter	<a href="#">Letter 3</a>	<a href="#">Letter 3</a>
Letter 4 Mandatory review – request for information	<a href="#">Letter 4</a>	<a href="#">Letter 4</a>
Letter 5 Mandatory review – request for suitable evidence – reminder letter	<a href="#">Letter 5</a>	<a href="#">Letter 5</a>
Letter 6 Action to be taken after the review	<a href="#">Letter 6</a>	<a href="#">Letter 6</a>
Letter 7 Termination of IWC payments	<a href="#">Letter 7</a>	<a href="#">Letter 7</a>

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## **Chapter 14 – Tools to support IWC processes**

### ***Review Checklist***

#### **In Work Credit Application/Review Checklist**

Name:

NINO:

In Work Credit Payable from:

To:

<b>ACTION</b>	<b>CHECKED</b>	<b>DATE</b>
Customer applied for IWC within 5 weeks of starting work		
Eligibility checked and correct: <ul style="list-style-type: none"><li>• Dependent child/children living in household</li><li>• Job 16hrs or more and job suitability confirmed</li><li>• Job will last 5 weeks or more</li></ul>		

<ul style="list-style-type: none"> <li>• Is not currently in receipt of RTWC</li> <li>• Continuous 52 weeks either as a customer or as a partner of an IS or a JSA customer on a qualifying benefit.</li> </ul>		
IWC1 issued & noted in LMS Conversations and LMS Pilot marker set		
Create clerical customer file to retain documents		
IWC1 completed and signed by customer & Jobcentre Plus staff		
Pre paid labels or envelopes and <a href="#">Notification of payments letter</a> (letter 1) issued for customer to send in evidence of employment when required		
<a href="#">RM2 Recurring Payment Authority</a> completed for payment of IWC for 52 weeks		
Checked account details through Bank Wizard		
Notify BDC of job start & IWC claim on LPF106		
Passed forms IWC1 and RM2 to Authorising officer for completion		
<a href="#">RM2 Recurring Payment Authority</a> posted to P2P		
IWC1 filed in customer claim file.		
LMS conversations recorded with dates of IWC		
Workflow set for week 8.		
<b>1<sup>st</sup> REVIEW - WK8</b>		
Mandatory review - request for information <a href="#">letter 4</a> or ( <a href="#">letter 5</a> for reminder action) posted to customer, recorded in LMS conversations		
Workflow set to mature in 10 working days		
Suitable evidence received within timescales		
Return evidence and Action to be taken after review letter ( <a href="#">letter 6</a> ) to customer & record in LMS conversations		
Workflow set for week 22		
<b>2<sup>nd</sup> REVIEW - WK22</b>		
Mandatory review - information <a href="#">letter 4</a> or ( <a href="#">letter 5</a> for reminder action) posted to customer, recorded in LMS conversations		
Workflow set to mature in 10 working days		
Suitable evidence received within timescales		
Return evidence and Action to be taken after review letter ( <a href="#">letter 6</a> ) to customer & record in LMS conversations		
Workflow set for week 52		
<b>END OF 52 WEEKS OF IWC</b>		
WK52 Marker set 'IWC ended – Exhausted'		
Noted 52 week end date on LMS for reinstatement entitlement		

**In Work Credit –Authorising Officer’s Checklist**

Name:

NINO:

In Work Credit application period from:

To:

ACTION	CHECKED BY	DATE
Check IWC1 has been fully completed		
All eligibility criteria satisfied		
Check <a href="#">RM2 Recurring Payment Authority</a> is fully completed and input details are correct. Ensure that the customer National Insurance number has been entered correctly. Check the bank/building society details given are correct using Bank Wizard		
Return the completed authorised IWC1 form to the referring officer within agreed timescale		
Check that the <a href="#">RM2 Recurring Payment Authority</a> has been completed with the correct payment details and authorise payments for 52 weeks.		
Email <a href="#">RM2 Recurring Payment Authority</a> to P2P		

### ***Example of a IWC review Excel Spreadsheet***

#### **[IWC spreadsheet](#)**

#### **Spreadsheet Instructions**

410. These instructions are provided to help any IWC teams who wish to use the Review spreadsheet and mail merge facility to help them manage the review process.
411. When you receive a completed and authorised [IWC1](#) add the customer details to the spreadsheet ensuring that you use the address lines in order. Do not leave gaps otherwise this will leave lines when you do mail merge.
412. When a customer's review is due you will need to open the spreadsheet and delete sheets you do not require i.e. Suspended/B of T/52 wk exhausted/Dormant/Withdrawn.
413. Click on Suspended sheet, hold down ctrl button on keyboard and left click mouse on rest of sheets. Go up to Toolbar, Edit down to Delete sheet click then click again on Delete. The sheets will disappear and you will be left with the Live sheet.
414. To sort the Live sheet go to the small box above line 1, left click the mouse button. The sheet will go grey. Go to the Toolbar; select Data down to Sort, click then Sort by click arrow go down to 1<sup>st</sup> review date, click then go down to OK and click again.
415. The sheet is now in review date order. You now need to delete dates that are not required for this weeks review. Go to 1<sup>st</sup> review column on spreadsheet, highlight dates not needed, hold down left mouse button and scroll down to relevant date then Delete the rows, Toolbar Edit, down to delete, click on Entire row then click OK.
416. Save spreadsheet under a new name, e.g. IWC17-04-07rev1. Repeat the process for 2<sup>nd</sup> review and 52 wk dates; you would save as e.g. IWC17-04-07rev2 and 52 wk. With the 52 wk sheet you just print off and pull the files out for final action.

#### **Mail Merge Instructions**

417. The excel spreadsheet can also be utilised by teams who wish to use mail merge to send IWC letters to customers
418. To mail merge you will need to enter customer details in the review spreadsheet (if they are not already entered) and then call up the required IWC letter in Word, go to tools, letters, mail merge wizard and then follow the instructions.
419. Call up the review letter, which has mail merge details in, amend letter: number of weeks and date information is required by.
420. Go to Toolbar, select Letters and Mailings from the Tools dropdown and select Mail Merge Wizard
421. Follow the instructions on right hand side of screen.
422. Select document type: Letters (already done for you) go to bottom of screen click on Next: Starting document, new screen will appear Select starting document: Use the current document (already done for you) go to bottom of screen and click on Next:
423. Select recipients, a new screen will appear. Select recipients Use an existing list (already done for you).
424. Click on Browse and locate this weeks review database (this will depend on where you have saved it e.g. my documents, shared documents) highlight and open.
425. Select Table will appear, click on table you wish to merge and click OK, the list of names appears as Mail Merge Recipients
426. Click on Select All button, then OK, this will disappear. Go to bottom of right hand of the screen and click on Next:
427. Write your letter, new screen, then click on Next:
428. Preview your letters on the bottom of the screen, the main screen will show the first letter check to make sure it is correct then go down to bottom of right hand screen and click on Next:
429. Complete the merge, click on Print, print All and click OK.
430. You will need to repeat the process above for 2<sup>nd</sup> reviews remember to change the letter.

## Chapter 15 – Timeline

### IWC Timeline

431. IWC was announced in the 2003 budget and piloted from **01 April 2004** in the following Districts:
  - Bradford (now part of West Yorkshire)
  - South East London (now part of South London)
  - North London (now part of North and North East London)
432. IWC was piloted from **25 October 2004** in the following 9 Districts:
  - Cardiff and Vale (now part of South East Wales)
  - Dudley and Sandwell (now part of Black Country)
  - Edinburgh, Lothian & Borders
  - Lancashire West (now part of Lancashire)
  - Leicestershire (now part of Leicestershire and Northamptonshire)
  - Leeds (now part of West Yorkshire)
  - Staffordshire
  - Central London

- West London
433. IWC was extended from **04 April 2005** to all London Districts except the former North East London (now part of North and North East London).
434. Since **31 October 2005** IWC has also been piloted in the following 6 Districts:
- Surrey and Sussex
  - Essex
  - Kent
  - Bedfordshire and Hertfordshire
  - Berkshire, Buckinghamshire & Oxfordshire
  - Hampshire & the Isle of Wight
435. As a result, IWC was then piloted in all London Districts except the former North East London part of North and North East London. This was because the Employment Retention and Advancement Demonstration Project (ERAD) was piloted there. Extending the IWC pilot across the whole of London at that time would have created a conflict with this pilot.
436. From **04 April 2005** the requirement for the LP to participate on New Deal for Lone Parents (NDLP) in order to receive IWC was removed in all IWC pilot Districts. In addition, from the **04 April 2005** London Districts have delivered IWC to **all** parents who meet the IWC qualifying criteria. Extending IWC in London provided a direct response to the difficulties involved in moving into employment experienced specifically by LPs in London, whilst continuing to test out the credit further by extending the incentive to all families with children in London.
437. The financial gains of working instead of remaining on welfare are not consistent across the country. London stands out, with its high rents, council tax and childcare costs, as having disproportionate problems which make it harder to help people move into work. These factors have led to IWC being increased to £60 per week in London with effect from **01 July 2007**.
438. From **28 January 2008** IWC was also made available to Lone Parents in the following Trailblazer districts
- The North East London part of North and North East London and
  - Birmingham & Solihull
439. From **7 April 2008** IWC was rolled out nationally to LPs.