

Recoverable Hardship Payment

The following information has been taken from Knowledge Management (KM). A Recoverable Hardship Payment (RHP) is an extra payment that a claimant or couple can apply for if their Universal Credit is reduced by a sanction or penalty.

They must show they cannot meet their household's immediate, basic and essential needs because of the sanction or penalty. These payments usually have to be repaid when their Universal Credit is no longer reduced.

If a claimant wishes to apply for an RHP, they must meet the following eligibility criteria:

- The sanctioned claimant must be aged over 18.
- Their payment must already be reduced by a Higher, Medium or Low level sanction, or a fraud penalty.
- If they have received a low level sanction, they must comply with any activities that led to it.
- The single claimant, or both members of a couple, must have met all their work-related requirements in the previous 7 days to the date they apply for hardship.
- They must accept that any payment is recoverable from future payments of Universal Credit, other benefits, or via Debt Management (both members of the couple must accept this).
- Can demonstrate that they cannot meet their immediate basic and essential needs in respect of accommodation, heating, food and hygiene needs.

- Can demonstrate they have taken all reasonable action to reduce non-essential costs, and sought other help to meet, or partially meet, those needs.
- They have not already received an RHP in the current assessment period.

It is the claimant's responsibility to prove hardship and that they have made every effort to improve their household's circumstances.

If a claimant reports hardship, it is also relevant to explore other means of supporting the claimant by Personal Budgeting Support.

Sanctioned single 16/17 year old claimants have no access to hardship as their reductions are made at 40% of their standard allowance. However if they are subject to fraud penalty they may have access to hardship.

Claimants subject to a lowest level sanction have no access to hardship, as any sanction comes to an end when they attend their Work Focused Interview, and the reduction also operates at a lower level to other sanctions.

The sanctioned person needs to attend an evidence gather appointment at the Universal Credit outlet.

Recoverable Hardship Application Process

Face-to-face at a Universal Credit outlet

The preferred method is for the claimant to attend the local Universal Credit outlet to collect the application form (UC10) prior to the evidence gather appointment. Enough time must be given for the claimant to collect and complete the recoverable hardship application prior to the appointment (usually around 30 minutes).

Telephony application

Applications made by telephone should be the exception rather than the rule and only applies in circumstances where the claimant, or either member of a couple, is unable to attend the Universal Credit outlet due to incapacity or because they are working. In these instances the application can be taken by telephone and evidence brought to the interview by their partner or a representative.

If the partner or a representative cannot attend the evidence gather interview at the Universal Credit outlet alternative arrangements for providing evidence are discussed during the call back.

Postal Application

A form is only issued via post in exceptional circumstances, where the claimant is unable to attend the Universal Credit outlet and the application can't be taken over the phone. Issuing the form by post delays the process. An appointment is arranged for the evidence gather from the fourth working day from issue of the application form. If the partner (or a representative) cannot attend the evidence gather appointment, the application should be completed by telephone.

If the claimants wants to continue with an application for an RHP the telephony agent (TA) explains that to be eligible they must meet the following basic eligibility criteria:

- payment of Universal Credit for their most recent assessment period was reduced by a Higher, Medium or Low level sanction at 100% of the standard allowance (or 50% for one member of a couple) or a fraud loss of benefit penalty
- accept any RHP will be recovered from them
- a Recoverable Hardship Payment can only be paid once for the Universal Credit assessment unit for each affected assessment period

To be eligible for hardship the daily reduction amount must include a 100% reduction for a single claimant or both members of a couple, or a 50% reduction for one member of a couple. If the daily reduction amount is set at only 40% for a single claimant or 20% for a couple) there is no eligibility for a recoverable hardship payment.

When to apply

A separate application must be made for each assessment period for which the claimant's award is reduced by the sanction or penalty. This is to ensure the claimant or couple continually demonstrate they are still in hardship and making efforts to reduce costs and support themselves.

When an application is accepted, the amount payable is calculated on a daily basis for the number of days in the 'hardship period'. The 'hardship period' starts on the date the application is accepted (usually date of enquiry) to the day before their next payment is due. (This daily amount is 60% of the total reduction to their most recent payment multiplied by 12, then divided by 365.) This daily figure is then multiplied by the hardship period.

Recoverable Hardship Payment Recovery

Once their Universal Credit payment is no longer reduced by a sanction or penalty, the total amount of the Recoverable Hardship Payment paid is recovered at up to 40% of the claimant's Standard Allowance.

Recovery is suspended for any assessment period where the claimant or couple have earnings at least equal to the single claimant's or combined couple's, Conditionality Earnings Threshold. The balance is written-off once this level of work is sustained for a period (or periods totalling) at least 26 weeks since the last sanctionable failure or Fraud penalty.