

Jobseeker's Allowance and Ad-hoc Workers

Jobseeker's allowance (JSA) is a benefit for people looking for full-time work whilst unemployed or working part-time. The Scottish CAB service has evidence of clients with ad-hoc, irregular working patterns being refused JSA when they are between jobs.

Ad-hoc workers are being refused benefits when they are between jobs, causing significant stress and severe financial hardship

Eligibility for JSA

- To be eligible for JSA, claimants must work fewer than 16 hours per week and have an income under a specified amount.
- If it is expected that the individual will subsequently resume work with the same employer, the DWP can decide they have continuity of employment and are therefore not unemployed. Where this is the case, current entitlement to JSA is affected by previous working hours, which are averaged over a working period. The client will not be entitled to JSA if their average hours are over the specified limits.

JSA and Ad-hoc workers – the key issues

- Bureaux evidence shows that the DWP are interpreting these regulations over zealously, and seeing continuity of employment and patterns of work where they do not exist. CAS is concerned that regulations intended to apply to certain types of employees (such as off-shore oil workers, working two weeks on/two weeks off and school ancillary workers working during term time) are being unfairly applied to a wider group of ad-hoc workers.
- This means that clients who are effectively unemployed and have no income are being refused JSA. This penalises an already vulnerable group, frequently employed in insecure, low-paid jobs such as short-term factory work.

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Impact on clients

- Clients are devastated by the DWP's decision that they are not unemployed, given that there is no expectation that they will resume work with the same employer. In some cases, clients have been issued with P45s when their contracts come to an end. Other clients have been told that, if future work becomes available, they will have to re-apply for the job.
- Ineligibility for JSA is unexpected, and clients have therefore not budgeted for a period when they will receive neither wages nor benefit. Some have previously been awarded JSA in similar circumstances, whilst others report being encouraged by Jobcentre staff to take jobs without being advised about the potential impact on future JSA claims. However, even with adequate warning, low-incomes would often make it impossible for these clients to save for periods of non-work.
- Having no income and being refused JSA, these clients are left with no money to live on. Subsequent applications for hardship payments and crisis loans have been refused. Additionally, whilst regarded by the DWP as having continuity of employment, HM Revenue and Customs may consider them as not working and therefore not entitled to working tax credit.
- Clients report severe financial hardship, and difficulty meeting day-to-day costs. Additionally, the significant stress and anxiety caused can have adverse effects on clients' health and well-being.

CAS calls for change

- The regulations surrounding JSA eligibility are being interpreted by some DWP staff in a way that penalises vulnerable ad-hoc workers.
- We call on the DWP to ensure better and more consistent decision-making when assessing continuity of employment. This is a critical decision for ad-hoc workers, having an overarching effect on their eligibility for JSA. Bureaux report some successes in overturning decisions at appeal on production of evidence such as P45s, but this is a stressful and time-consuming process.

|| An East of Scotland CAB reports of a client who had been employed on temporary contracts with a local factory at various times over the past six years. Her last eight month contract had just ended and she had been refused JSA, on the grounds that she had established a pattern of work and if her earnings were averaged over a year the weekly amount exceeds the limit for JSA eligibility. She had no guarantee of re-employment and no savings.

Case evidence

|| A North of Scotland CAB reports of a client who had been employed by a cleaning company on two short term contracts. He worked from 16 January to 19 February and then again from 7 March to 27 April. The client had been refused JSA following his second period of work on the grounds that he had an ongoing contract of employment. He received a P45 on each occasion and was employed only during these two periods.

|| An East of Scotland CAB reports of a client who had worked at a golf course between March and October for some years. His application for JSA had been refused - although he would not know for many months if he would be re-employed - on the grounds that he was still employed and his average hours and pay exceeded the JSA limit. He was very concerned about meeting his daily living costs and mortgage payments.