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Sheila Gilmore MP

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1/3/14

Thank you for your letter of 10 February to the Secretary of State regarding benefit sanctions being applied when a claimant refuses to apply for a zero hours contract vacancy. I am replying as the Minister responsible for this area of the Department's work.

You have expressed concerns about conflicting information in the responses to two separate Freedom of Information requests regarding benefit sanctions.

We believe that jobseekers on any benefit should do all they reasonably can to get into paid employment. This includes applying for suitable jobs and accepting any reasonable offer of employment. As part of this Jobcentre Plus coaches can require claimants to apply for particular vacancies that they consider suitable. If someone fails to meet such a requirement – without good reason – then a sanction can be imposed.

We do not consider zero hours contracts to be – by default – unsuitable jobs. Indeed, the flexibility they offer can be valuable for some individuals. Within Jobseekers Allowance, however, our coaches do not currently require claimants to apply for jobs with zero hour contracts. The structure of Jobseeker's Allowance (JSA) and supporting processes could make the interaction of zero hour contracts and the benefit system difficult to manage – short periods of work could end a JSA claim, requiring new claims to be made in periods where earnings fall.

Universal Credit, of course, is payable when people are in work as well as out of work so the need to reclaim when earnings fluctuate is removed. In addition Universal Credit is designed to be responsive to variations in earnings so each monthly payment will reflect the amount actually earned, even if this includes some weeks when no work was done. So in Universal Credit our coaches can mandate to zero hours contracts.

It is worth stressing, however, that the coach should still consider whether the role is suitable for the individual. Also, when considering any sanction action the decision maker will take into account all the evidence including the individual's circumstances and the reasons they give for not taking the job. There is no list of what constitutes 'good reason', each case is considered on an individual basis.

I hope this reply is helpful

A handwritten signature in black ink, appearing to read 'Esther McVey', with a large flourish at the end.

Esther McVey MP
Minister for Employment