

Disability Benefit Overpayments

When you renew a sickness or disability benefit award, the amount benefit you get can go down if new information suggests your health has improved. This change usually applies only from **the date the new decision was made**.

The DWP do not usually backdate the cut or decide you have been overpaid. However, they *can* backdate it, if they think you should have **noticed an improvement and reported a change in circumstances**.

If this happens, there could be a **recoverable overpayment** back to the date you should have told them about the change.

Example

Alex had her PIP cut after renewing her claim. The DWP say she should have told them her health had improved three years earlier and that she must pay back an overpayment of £7,000.

Alex **accepts her new PIP award**, but says the changes in her health happened too gradually for her to notice or report sooner. She wants to **appeal the decision** that the overpayment is recoverable, but not appeal her PIP award.

She can do this, but Alex should **get specialist advice** if possible.



Reconsiderations and Appeals

Even if an overpayment is recoverable, you still have the right to **challenge the amount** being taken back from you if you think it is too high and has been **worked out wrongly**.

You have **one calendar month** from the date of the decision notice to ask the office that made the decision to look at it again - this is called a **mandatory reconsideration**.

If the decision isn't changed as you hoped, you have one calendar month from the date of the reconsideration decision to **appeal to an independent tribunal**.

Get advice before you challenge an overpayment decision. The amount you owe might be **revised up** if the benefit office decide the overpayment started earlier or you owe more.



For more information go to www.citizensadvice.org.uk or contact our **Citizens Advice Helpline: 0800 144 88 48**



Potteries Gold is a **Citizens Advice Staffordshire North & Stoke-on-Trent** project to help people in Stoke-on-Trent cope with changes to the benefit system
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Benefit Overpayments

Your Rights and Responsibilities

Disputes and Appeals No. 1



What is an Overpayment?

If you get paid more in benefits or tax credits than the law says you are entitled to, you have been overpaid. Overpayments can happen due to mistakes you make or due to official error by the DWP, Council or HMRC Tax Credit Office. They can also happen due to benefit fraud.

Avoiding Overpayments

There are some things you can do to cut the risk of your benefits being overpaid.

- Use **reliable sources of information** to check the rules for the benefit you plan to claim. Citizens Advice, Disability Rights UK, Turn2Us and Shelter all have sound information on their websites.
- Make sure the information you put on claim forms is as **accurate and complete** as possible. *Never guess or exaggerate.*
- **Read decision notices** carefully. Check the right details have been used to work out your benefit.
- **Report changes of circumstances** as soon as you can, to all the different offices dealing with your benefits. Don't rely on one office to tell another!

If you don't know if you have to report something, or you don't understand something, contact us for advice on **0800 144 88 48** (National Adviceline) or **0808 278 78 76** (Local Adviceline).

Recoverable Overpayments

If the law says a benefit or tax credit overpayment is **recoverable**, it means you have to **pay the money back** if the DWP, Council or Tax Credit Office tell you to.

All Universal Credit and Tax Credit overpayments are recoverable. So are overpayments of **New Style JSA** and **New Style ESA**. We have a separate leaflet about overpayments of these benefits.

Other benefit overpayments are recoverable if you **misrepresented** or **failed to disclose** a **material fact** and this led to, or helped to cause, an overpayment.

Misrepresentation happens if you give **wrong information** to the office dealing with your benefit claim. Even if you do this innocently, perhaps because you don't really understand a question on a form, it still counts as misrepresentation.

Failure to disclose happens if you don't report information that is needed to work out your benefits. Even if you do this innocently, maybe because you don't understand what information is needed, you have still failed to disclose.

A material fact might be about your family, income, savings or health, or another change in your circumstances. It is a material fact if it is **something that affects your benefit entitlement**.



Example

Suzi gets Carer's Allowance (CA). She also works part-time. Her earnings are usually well below the **£139 limit** to get CA but, some weeks, Suzi earns above the limit.

Suzi assumes the DWP average out her earnings, so does not bother to report this. But she is wrong, as CA is assessed week by week. She must tell the DWP whenever she earns too much.

Suzi is being overpaid and the overpayment will be recoverable.

Official Error

If the DWP, Council or Tax Credit Office have full and accurate information from you but make a mistake working out your benefits, this is an official error. Overpayments caused **solely by official error** are usually **not recoverable**.

Note that the rules are different for UC, Tax Credits and the 'New Style' benefits.

For **Housing Benefit** only, an overpayment caused by official error **is recoverable**, if you, or whoever received the money, could **reasonably have known** they were being overpaid.

If you realise you are being overpaid, you must inform the office paying your benefit as soon as you can.

