

Universal Credit explained.

Universal Credit is a new benefit to support you if you're working and on a low income or you're out of work.

What is Universal Credit?

Universal Credit is a single monthly payment for people in or out of work.

It replaces some of the benefits and tax credits that you might be getting now:

- Housing benefit
- Child Tax Credit
- Income support
- Working Tax Credit
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance

For now, most new claims are from single, newly-unemployed people, although more jobcentres are now taking claims from couples and families.

- However, if you're in an area which offers a full service and are entitled to the benefits being replaced, you'll be asked to claim Universal Credit.
- If you get help with your rent, this will be included in your monthly payment – you'll then pay your landlord directly.
- If you live with someone as a couple and you are both entitled to claim UC, you will get one monthly joint payment paid into a single bank account.
- UC is paid monthly in arrears so it can take up to six weeks after you make your claim to get your first payment.
- There are no limits on how many hours a week you can work if you're claiming UC. Instead, the amount you get will gradually reduce as you earn more, so you won't lose all your benefits at once.
- You have to make your claim online.
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If you make a new claim for Universal Credit you will not be paid for the first seven days. These days are known as waiting days.

Don't let this stop you making your claim and apply as soon as you are entitled to do so as it can take up to six weeks after you claim for your first payment to reach your account.

The seventh day after you make your claim is the date of the month on which your Universal Credit Payment will be paid each month. This is called your assessment date.

Universal Credit is paid monthly in arrears so you'll have to wait one calendar month from your assessment date before your first UC payment is made. This is called your assessment period.

You then have to wait up to seven days for the payment to reach your bank account. This means it can take up to six weeks before you get your first payment.

Example

- Ben has lost his job and makes a new claim for Universal Credit on 15 July.
- He must wait seven days before his claim can start.
- This makes his assessment date the 22 July. It means he will be paid on the 22nd of each month.
- He needs to wait one assessment period (that's a calendar month) to 22 August because Universal Credit is paid monthly in arrears.
- He also needs to leave up to seven days for the money to reach his account.
- He should expect his first payment of Universal Credit no later than 29 August.
- If 29 August is a bank holiday Monday, he should receive payment on the last working day (Friday) before the holiday.
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When the seven-day waiting period won't apply

The seven-day waiting period won't apply if, for example you:

- Have claimed Universal Credit within the past six months
- Are splitting up from or moving in with someone who's already claiming Universal Credit
- Are moving on to Universal Credit from another benefit
- Are terminally ill
- Are vulnerable, for example you've recently been a victim of domestic violence or are leaving care or prison
- Your first payment should go into your account no later than five weeks after you make your claim

What you will receive.

Your Universal Credit payment is made up of a standard allowance and any extra amounts that apply to you, for example if you:

- Have children
- Have a disability or health condition
- Need help paying your rent
- Use a benefits calculator to see how much you could get.
- Your circumstances are assessed every month and what you're paid may change.
- The Universal Credit cap is set at the average working households' take-home pay. That's £2,167 for couples or lone parents, or £1,517 for a single person.
- Universal Credit will be paid once a month, usually into your bank or building society account.
- Housing Benefit is sometimes paid directly to your landlord. But under Universal Credit you have to pay your landlord yourself.

Working on Universal Credit

You can work as many hours as you like when you're on Universal Credit. There are no limits like there are with existing benefits such as Income Support or Working Tax Credits.

If you're in paid work you might be entitled to a work allowance.

What is the work allowance?

The work allowance is the amount of money you're allowed to earn before your Universal Credit payment is affected.

You will be entitled to a work allowance if you're:

- Responsible for dependent children, and/or
- You can't work as much because of illness or disability.

If you're entitled to the work allowance, you can earn up to the threshold for your circumstances.

Your Universal Credit payment will then go down by 63p for every £1 you earn above this amount. This is called the earnings taper.

If you don't qualify for the work allowance, your Universal Credit payment will go down by 63p for every £1 on all your earnings.

Full Digital Service Area

A full digital service area is sometimes called a “full service area” or a “digital service area”.

A full digital service area is an area where everyone who makes a new claim for any of the following benefits, has to claim Universal Credit online instead. Universal Credit is replacing these benefits:

Income-based Jobseeker’s Allowance
Income-related Employment & Support Allowance
Income Support
Working Tax Credit
Child Tax Credit
Housing Benefit

This currently applies to everyone except people who are responsible for 3 or more children. They cannot make a new claim for Universal Credit yet, and will have to claim the benefits listed above instead.

Universal Credit full digital service is gradually being rolled out across the country, until all areas become full digital service areas.

Universal Credit Full Digital Roll-out dates in the operating area:

Boston – February 2018
Sleaford – July 2018
Lincoln – March 2018
Skegness –March 2018
Spalding – April 2018
Gainsborough- May2018
Kings Lynn – July 2018
Grimsby – December 2017
Peterborough - November 2017
Scunthorpe – October 2017

If you have any difficulties or worries regarding Universal Credit please contact Marji Seidel (Finance Officer) who will be happy to help.