



The Wealdstone Centre,
38-40 High Street,
Harrow, HA3 7AE
Phone: 020 8861 9920
E-mail: general@HAD.org.uk
Website: www.HAD.org.uk

Universal Credit

WHAT IS UNIVERSAL CREDIT?

Universal credit is a new means-tested benefit that will eventually replace the following current means-tested benefits:

- ▶ child tax credit;
- ▶ housing benefit;
- ▶ income-related employment and support allowance (ESA)
- ▶ income-based jobseeker's allowance;
- ▶ income support; and
- ▶ working tax credit
or income-based jobseeker's allowance as a full-time student;

Other benefits (e.g. Disability Living Allowance and personal independence payment) will remain largely unchanged by the new system.

Universal credit is being phased in over time and the current benefits will not disappear for some years.

Universal credit may entitle you to budgeting advances, free prescriptions and dental treatment, housing grants, free school meals and help with hospital travel fares.

Who can claim universal credit?

To be eligible for universal credit, you must meet certain basic qualifying conditions.

You must:

- ▶ be 18 or over (or aged 16 or 17 in certain cases);
- ▶ be under the qualifying age for pension credit (this is being raised from 60 to 66 between April 2010 and October 2020);
- ▶ be in Great Britain - see below;
- ▶ not be subject to immigration control;
- ▶ not be in education - see below; and
- ▶ have accepted a 'claimant commitment'.

In addition, you (and your partner if you are making a 'joint claim', you must not have capital of more than £16,000 and any earnings or income you have must not be too high for any universal credit to be paid. See section 4 below for the calculation.

How do you claim?

You can claim Universal Credit online. Alternatively you can claim by phone:

Telephone: 0345 600 0723

Textphone: 0345 600 0743

Joint claims

If you have a partner (including a same-sex partner), you must normally make a 'joint claim' for universal credit. In a joint claim, you and your partner must usually meet all the basic qualifying conditions above. However, you and your partner may still be entitled to universal credit as joint claimants if one of you is over pension credit qualifying age or in full-time education (as long as you both satisfy all the other basic qualifying conditions - see previous pages).

In Great Britain

To claim universal credit, you must:

- ▶ be present in Great Britain (GB); and
- ▶ be habitually resident and have the right to reside in the UK, Channel Islands, Isle of Man or the Republic of Ireland.

'Present' means physically present in the GB. There are specific rules that may allow you to be treated as present during a temporary absence. The term 'right to reside' is not defined but is dependent on your immigration status and nationality. You might have a right to reside under United Kingdom rules, European Union law or because you are a British citizen.

The 'habitual residence' test is a test to see which country you normally live in. The test will be applied if you have been living abroad.

What if I am in education?

You will not normally be able to claim universal credit if you are undertaking a course of full-time advanced education. However, you may be able to claim universal credit even if you are receiving such education if you are entitled to attendance allowance, disability living

allowance or personal independence payment and you have been assessed as having a limited capability for work.

Disabled Students

For further information and the support that is available for disabled students, contact:

The Disabled Students Helpline

Telephone: 0800 328 5050 or

Email: students@disabilityrightsuk.org

Your responsibilities

To qualify for universal credit, you may need to meet certain work-related conditions, known as 'requirements'. These are recorded in a 'claimant commitment'. You are likely to incur sanctions (where your universal credit is reduced) if you fail to meet a work-related requirement. Limited hardship payments may be available if you are sanctioned. In certain circumstances none of the work-related requirements will apply to you (see below).

The work-related requirements

There are four different types of requirement:

- ▶ work-focused interview requirement;
- ▶ work-preparation requirement;
- ▶ work-search requirement; and
- ▶ work availability requirement.

How much is Universal Credit

The amount of universal credit you are paid depends on your circumstances. It is worked out on a monthly basis by comparing your financial needs with your financial resources. Set amounts for different financial needs are added together to arrive at a figure called your 'maximum amount'. From this figure amounts are deducted for any earnings and other income you receive (see below). The resulting amount will be your universal credit for that month. This may be restricted by the 'benefit cap'.

The maximum amount

The maximum amount is made up of a 'standard allowance' and elements', paid to cover different needs. The elements are:

- ▶ child element;
- ▶ housing costs element;
- ▶ work capability element;
- ▶ carer element; and
- ▶ childcare costs element.

The benefit cap

There is a cap on the total amount of benefits, including universal credit, that you can claim. Benefits that are taken into account when calculating the cap include:

- ▶ bereavement allowance and widowed parent's allowance;
- ▶ carer's allowance;

- ▶ child benefit;
- ▶ employment and support allowance
- ▶ jobseeker's allowance; and
- ▶ maternity allowance.

The benefit cap will not apply if you, your partner or a dependent child are getting certain benefits, including attendance allowance, disability living allowance or personal independence payment. It will also not apply if the higher level of the work capability element has been included in your universal credit award.

Payment of Universal Credit

Normally, your universal credit is paid in arrears as a single payment each month. If you have a partner; you can choose who receives the payment.

Alternative payment arrangements (e.g. bi-monthly payments) would only be made if the DWP considered that you could not manage with a single monthly payment; such arrangements would usually only be made for a temporary period.

If all the work-related requirements apply to you (see previous pages), you will usually have to wait for seven days (the 'waiting period') before you are eligible to be paid universal credit.

Timetable

If you are currently receiving a benefit which will be replaced by universal credit you will be moved onto universal credit between July 2019 and March 2022.

Transitional protection

You will not lose out immediately when you are moved onto universal credit if your circumstances remain the same. You will get 'transitional protection' if your universal credit is less than what you would have got under the old system. The transitional protection may be terminated if your circumstances change (e.g. if you separate from your partner or become a partner). The amount you receive will still be affected by the benefit cap rules (see previous pages).

Do you need further help?

Please contact the [HAD.org.uk](https://www.had.org.uk) welfare benefits team:

020 8861 9920,

**Or visit us at The Wealdstone Centre, 38-40 High Street,
Wealdstone, Harrow, HA3 7AE.**

This fact sheet is one of a series, providing information and advice on a number of topics.

HAD.ORG.UK FACTSHEETS:

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Fact Sheet 2	Utilities
Fact Sheet 3	Wheelchairs
Fact Sheet 4	Accessible Public Transport
Fact Sheet 5	Voluntary Transport
Fact Sheet 6	Holidays
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Fact Sheet 8	Motoring
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Fact Sheet 12	Education & Learning
Fact Sheet 13	Sports
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Fact Sheet 16	Leisure at Home
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4	Applying as Homelessness (Priority Need)
5	Private Tenants: smoke and carbon monoxide alarms
6	The Right to Rent
7	Rent Increases : Assured Shorthold Tenancies