

Universal Credit explained



Universal Credit is a new benefit that has started to replace six existing benefits with a simpler, single monthly payment if you're out of work or on a low income. Universal Credit will help you to be better off in work, start a new job or work more hours. It is for people of working age. The government is combining separate benefits into one single payment, which will eventually replace most other benefits including:

- Income support
- Housing benefit
- Income-based Job Seeker's Allowance
- Income-related Employment Support Allowance
- Working tax credits
- Child tax credits

What does it mean to me?

- Universal Credit will normally be paid in one single payment to one nominated person in your household
- It will be a monthly payment in arrears, and will be paid on the same date each month

- It will include your housing cost - even if you've had Housing Benefit paid directly to us in the past, your Universal Credit housing cost will be paid direct to you.
- Personal benefit payments, for example to non-dependants, will still be paid directly to them.

How you'll be paid

Universal Credit is paid differently to current benefits. It will be paid once a month into your bank, building society or credit union account. Any help you get with your rent will be included with your Universal Credit payment and you'll then pay your landlord yourself. Your payment may be reduced if the Universal Credit benefit cap affects you.

Please note: some types of housing are exempt from these changes so if you live in, for example, supported or sheltered housing, please speak to your landlord for advice.

The claimant commitment

Once you've submitted your claim for Universal Credit (UC), you'll be asked to go to an interview with a Jobcentre Plus Adviser and accept a claimant commitment. This sets out what you have to do to prepare for work or find work. If you're already working, it may set out what you have to do to find better paid work or work more hours. Some people will be better off under Universal Credit Tenants who are on Income-based Job Seekers Allowance, who have grown up children and who are working could be better off under Universal Credit due to the nondependent deductions under housing benefits. With Universal Credit there is no deduction for children under the age of 21. For those over 21 there is a standard deduction of £75.15 per month for each adult living in the property. When calculated weekly this equates to £17.34 no matter how much they are earning.

What about mixed-age couples?

Where one member of a couple is over Pension Credit age and the other one is under, you will not be able to claim Pension Credit anymore, as a couple. It is important that you contact the Financial Skills Team at Accord for advice on how the state pension will effect your entitlement to Universal Credit for the younger partner.

Universal Credit does not replace Council Tax Support

If you are paid Universal Credit and had previously received Council Tax Support benefit, you need to:

- Inform the Local Authority of your change and provide the LA with any information requested
- Make a new claim for Council Tax Support - this will be via a Housing Benefit / Council Tax Support claim form held by the local authority.

How much Council Tax Support will someone on Universal Credit get?

This depends, both on your particular income and circumstances - and also on the way your Local Authority has decided to assess Council Tax Support for people on Universal Credit. If in doubt contact your local Council Tax department for advice.

- Complete the [Universal Credit Personal Planner](#)
- Get a bank, building society, Post Office account or Credit Union Account

- Set up a direct debit to pay your rent

Get some advice on how to budget on a monthly basis

- We can help you. Call us for free, confidential advice on Call 0300 111 7000 or [email us](#).
 - You can get advice online by answering some questions about your personal circumstances, and/or get help with budgeting support for Universal Credit from the [Money Advice Service website](#).
 - You can also [register with](#) the government's Find A Job service to search for a new job.
 - For more about the Claimant Commitment [visit the Citizen's Advice Bureau website](#)
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