

INFORMATION SHEET: Universal Credit

Community Help & Advice Initiative (CHAI)

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➔ What is Universal Credit?

Universal Credit (UC) is a **new benefit** for people under pension age which aims to **replace 6 means-tested benefits**, i.e. Working Tax Credit, Child Tax Credit, Housing Benefit, Jobseeker's Allowance, Income Support and Employment and Support Allowance.



lords, unless the DWP agree to an Alternative Payment Arrangement.

◆ Your award is assessed every month, based on your income for the previous month.

◆ You can continue to claim UC if you **work over 16 hours per week** as long as your income is below the threshold—an improvement for people with variable earnings.

◆ Your claim remains **'dormant' for up to 6 months**—if your earnings are too high one month but go back down the next month, you can make a rapid new claim.

◆ UC aims to **encourage work**. Most people are expected either to look for work, or prepare for work and **improve their work prospects** depending on their circumstances — although some people are exempt altogether (e.g. carers, people unfit for work in the Support Group).

◆ **Lone parents (or main carers in a couple)** with a **child aged 3 or over** are now expected to look for work.

◆ People who are in work but do not earn over the **Conditionality Threshold** (which is 35 hours per week at the Minimum Wage) may be expected to look for more work—unless their Work Coach agrees the threshold should be lowered due to caring commitments for example.

Ask us for advice!

From **November 2018**, anyone in Edinburgh who is unemployed, unable to work due to sickness or on a low income will have to claim UC and will no longer be able to claim income-based JSA, income-related ESA, Income Support, Housing Benefit or Tax Credits.

the Council).

However, **a lot of benefits will still remain** such as benefits that are based on your National Insurance (NI) contributions like **contributory JSA and ESA**.

WHO IS AFFECTED?

This only applies to people **making new claims** and does not affect people who already have an existing claim for these benefits. Their existing claims will continue until they are 'migrated', i.e. transitioned onto UC. This transition is expected to take between 2019 and 2023, so you may not be affected right away.

In addition, people with **3 or more children** won't be able to make a new claim for UC until February 2019.

WHY THIS NEW BENEFIT?

The Government's aim is to simplify the benefits system so that you only need to apply for one benefit, instead of claiming different benefits from different agencies (HMRC, DWP and

MAIN FEATURES OF UC

◆ UC is **based on your income**, not your NI contributions.

◆ It is administered **by the DWP**.

◆ UC **combines various elements into one single payment** for you, your children, for your housing costs and childcare costs, and for being a carer or unfit for work.

◆ **All claims are digital**. You must apply online and manage your claim online in your journal, to communicate with the DWP.

◆ A **single monthly payment** to one person in household is made into a bank account.

◆ **Rent payments will be made to you directly**, NOT to land-

ABOUT CHAI

CHAI is a registered Scottish charity providing free and independent advice to people affected by housing, debt and benefit issues in Edinburgh and Midlothian.

Our objectives are:

- To relieve poverty
- To provide welfare assistance
- To provide practical help
- To provide information, advice and support on issues such as housing, debt, benefits and employability.

➔ How to Prepare for UC

You can prepare for UC by doing things such as:

- ◆ **opening a simple bank account** if you don't already have one—as UC is paid into a bank account.
- ◆ finding out where you can **access the internet** to make a claim and manage your claim online.
- ◆ improving your **internet skills** by taking a class in your Neighbourhood Centre for example.
- ◆ improving your **budgeting skills** as you will get one single monthly payment for both your rent and your own benefit money.

◆ getting support from an **employability service** to work on your CV or improve your work skills.

If you need help with any of these tasks, we can make referrals to relevant supporting agencies. **Ask us for advice!**



➔ Making a Claim for UC

◆ You can make a claim for UC online at www.gov.uk/apply-universal-credit

◆ If you are in a **couple**, you will need to make a **claim each**. The one who makes the first claim will be given a **linking code** to give to their partner.

◆ If you can't do the claim in one setting, you can **save it and return to it later on**.

◆ After the claim, each person will be invited to attend an interview at the JobCentre to **hand in some evidence:**

- 1 photo ID
- 2 other forms of official ID
- Your tenancy agreement
- Your latest rent statement
- Proof of your childcare costs
- Bank details
- 2 months' bank statements
- Proof of any other income

◆ The interview at the JobCentre is also to **sign a Claimant Commitment** which sets out your responsibilities in terms of looking for work or being 'job-ready'—whether this applies to you will depend on your circumstances.

➔ Avoiding Problems with Your Claim

PAYMENTS

◆ There is a **5-week wait before your first UC payment**: one month to assess your income and then 7 days for the payment to reach you.

◆ If you need money before the 5 weeks are up, you can apply for a **Short-Term Benefit Advance** by phoning up the UC helpline on 0800 328 5644, within 5 days of the claim. You'll then repay it through deductions from your benefit over 12 months.

◆ Scottish claimants are offered the choice to be **paid twice monthly, instead of monthly**. Likewise, you can choose to have your **housing costs paid directly to your landlord**. You will be offered these choices after you have received your first UC payment.

◆ You may also want to apply to the DWP for an **Alternative Payment Arrangement (APA)** such as **split payments** between you and your partner.

REPORTING CHANGES



◆ You must report your **childcare costs** monthly, using your online journal.

◆ If you are **self-employed**, you must report your takings and expenses every month, using a special online tool.

◆ If you are an **employee**, you **won't** have to report your earnings every month as the DWP will get them from the **HMRC's real time PAYE system**.

◆ Any other changes in income must be reported to the DWP, every month.

◆ You will have to hand in **proof of your annual rent increase**, unless you have a social landlord and have given permission to the DWP to liaise with them.

◆ If you are affected by the **bedroom tax**, you can still apply to the Council for Discretionary Housing Payment, but will have to provide proof of your UC award.

➔ UC Contact Details

UC Claimline:
0800 169 0310

UC Helpline: 0800 328 5644
(for existing claims)

Postal Address:
FREEPOST RTEU-LGUJ-SZLG
Bathgate Benefit Centre