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Glossary

ADP – Adult Disability Payment (Scotland)
APA – Alternative Payment Arrangement
CA – Carer’s Allowance
CDP – Child Disability Payment (Scotland)
CSP – Carer Support Payment (Scotland)
CTR – Council Tax Reduction/Support
DHP – Discretionary Housing Payment
DLA – Disability Living Allowance
DWP – Department for Work and Pensions
EEA – European Economic Area

ESA – Employment and Support Allowance
HMRC – HM Revenue and Customs
JSA – Jobseeker’s Allowance
NIC –

1 What is Universal Credit?

Universal Credit (UC) is a means-tested non-taxable benefit to cover basic living expenses, whether you work or not. There are additional amounts if you have a limited capacity for work due to sickness, and for carers, children, childcare if working, and help towards rent and housing costs. The government department with responsibility for social security benefits is the Department for Work and Pensions (DWP).

1.1 Legacy benefits

UC replaces the following six legacy benefits payable to working age people, in or out of work:

income-based Jobseeker's Allowance (IB-JSA)

income-related Employment and Support Allowance (IR-ESA)

Income Support (IS)

Housing Benefit (HB)

Child Tax Credit (CTC)

Working Tax Credit (WTC)

Unless otherwise specified, we refer to CTC and WTC as '*tax credits*' in this factsheet. In most cases, you can no longer make new claims for legacy benefits and you must claim UC instead (but see exceptions at section 2.5).

If you currently claim a legacy benefit, you may need to claim UC instead if you have a relevant change of circumstance affecting that legacy benefit (see section 2.4.1). Or you may be invited to claim UC between now and 2029 (see section 2.4.2), whichever comes first.

2 Who qualifies for UC?

You claim UC as a single person or jointly as a couple if you have a partner. You can claim for dependent children or qualifying young people you are responsible for. You are treated as a member of a couple if you:

are married and live with your husband or wife

live with someone as if you are husband and wife

live with your civil partner

live with someone as if you are civil partners.

If your partner does not meet the basic requirements for UC (see next section), you may still be able to claim. If so, the financial circumstances of both members of the couple are taken into account when calculating the amount of UC payable, but you are only entitled to a single rate of benefit, not the couple rate.

If you are within six months of reaching State Pension age, you should not receive a managed migration notice so contact the DWP if you do. You can also ask for an extension if you have problems making your UC claim within three months of receiving the migration notice.

There is online guidance at www.gov.uk/guidance/tax-credits-and-some-benefits-are-ending-move-to-universal-credit and a helpline 0800 169 0328 specifically for if you receive a migration notice.

2.4.3 'Move to UC' campaign

The DWP may contact you about making a voluntary UC claim if they think you will be better off, although you can refuse to do

Someone acting on your behalf

If you are unable to act for yourself, someone acting under a Lasting Power of Attorney or a DWP appointee can make the claim (and receive payment) on your behalf. This includes corporate appointees, where an organisation such as a local Age UK, a solicitor, or a local authority acts on behalf of clients.

For more information see factsheet 22, *Arranging for someone to make decisions on your behalf*, Age Scotland (*A guide to Power of Attorney in Scotland*).

3.2 Interview with a work coach

Once a claim is made, you must usually attend a local Jobcentre Plus office for an interview with a work coach. This is to agree the contents of your Claimant Commitment before a decision can be made about your UC entitlement.

The role of a work coach is to discuss your claim and any relevant circumstances, to set out the steps you must take to seek work if applicable, to take any further evidence necessary to decide the claim and to talk to you about your Claimant Commitment. You are generally expected to have the same work coach for the duration of your claim.

If health problems limit your ability to work and you submit fit notes from your GP, you need to have a Work Capability Assessment (WCA). Ask your work coach for details about this procedure, see section 6 for more information about the work capability elements.

3.3 Claimour work coach

If you refuse to accept a Commitment, your UC claim is refused. The only exceptions are if you lack the capacity to accept this, or there are exceptional circumstances which would make acceptance unreasonable (e.g. illness or a domestic emergency).

The Commitment places a duty on you to notify any change of circumstances or highlight incorrect information. If you fail to meet a requirement in your Claimant Commitment, your UC amount can be reduced by a sanction until you comply. See section 5 for more about work-related requirements and the penalties for not meeting them.

If you are unhappy with the requirements in your Commitment, it may be advisable to sign it anyway, so the UC claim can be decided and put into payment and ask your work coach to vary the contents later on.

If you are terminally ill (suffering from a progressive disease where death in consequence of that disease can reasonably be expected within 12 months), you are not required to accept a Commitment.

3.4 Claim maintenance

UC is designed so you can manage your claim directly through an online account. There is a 'To do' list, a 'Journal' and a page where you can notify changes of circumstance and check the details of your payments.

Any communication with the DWP (e.g. award notices and change of circumstances) are through your online account. If you need to challenge a decision or payment, it can be a good idea to take screen shots, of your journal or payment page to keep as evidence.

If you are working, your monthly earnings are usually sent automatically to the DWP using the 'Real Time Information' (RTI) database containing your PAYE information.

If your earnings are not on the RTI database, because you are self-employed or earn too little or your employer does not have to use the

4.3 Alternative payment arrangements

It may be possible to have different payment arrangements under certain circumstances, such as if you are vulnerable and find it difficult to budget. In Scotland you can choose rent direct and twice monthly payments. In England and Wales, these are at the DWP's discretion and there is no right of appeal. They include:

paying housing costs directly to the landlord, known as '*Managed Payment to Landlord*'

5.1.1 All work-related requirements

All four work-related requirements are imposed if the exceptions listed below do not apply. You are likely to be in this group if you are a jobseeker, or have children aged three or over, or have earnings below your '*earnings threshold*' (e.g. 35 hours a week at National Minimum Wage).

In this group, the requirement for work search has a minimum number of hours per week. This is your individual '*threshold*' and is usually 35 hours a week, unless your work coach agrees a lower amount with you due to your circumstances, such as caring responsibilities, or physical or mental health problems. There is no specific age-related relaxation.

You can modify your requirements at the discretion of your work coach. Examples include (these are not exhaustive) if you:

care for a child or disabled person, you can be allowed up to 48 hours to attend an interview and up to a month to take up paid work

have caring responsibilities, you can restrict the hours of work search and availability to what is compatible with your circumstances, as long as there are reasonable prospects of securing work

were previously employed, you can limit your work search and availability to similar work or salary levels for up to four weeks, as long as you have reasonable prospects of securing such work

have a physical or mental impairment, you can ask to restrict the hours of work search and availability, and if your impairment has a substantial adverse effect on your ability to carry out certain types of work, you can ask not to look and prepare for such work.

If you submit a medical certificate to say you have a limited capability for work, you can be subject to all work-related requirements until a work capability assessment (WCA) takes place and a decision made.

If this applies, whilst waiting for the WCA to take place, you can request

5.1.3 Work-focussed interviews only

You are required to attend and take part in work-focussed interviews if you are responsible for a dependent child aged between one and two.

5.1.4 Work-focussed interviews and work preparation requirements

If you are assessed as having a limited capability for work (LCW), or are responsible for a child aged between two and three years old, or you do not work sufficient hours or earn sufficient wages, you must attend and take part in work-focussed interviews and undertake work preparation requirements.

5.2 Types of work-related requirements

5.3 In-work conditionality

This requirement applies if you do not work sufficient hours or have sufficient earnings. You are expected to increase your pay or hours in your current job or find new or additional employment. Your preferred option determines the activity you are expected to undertake to obtain more or better-paid work, but requirements should be reasonable, proportionate and compatible with current work commitments.

This can apply if your monthly earnings are below £892 for a single person or £1,437 for couples. There are randomised trials with a higher earnings threshold based on minimum wage for a 35-hour week).

5.4 Voluntary work

You can do voluntary work for a maximum of half the hours you are expected to look for work, based on your work-related requirements. For example, if your work search requirement is 35 hours a week, you can volunteer for a maximum of 17 and a half hours.

5.5 Sanctions

If you do not meet a work-related requirement, a sanction can be imposed. This means the amount of UC you receive is reduced for a period of time, depending on the nature of the failure to comply and whether you have received a sanction previously.

Sanctions take effect from the first day of an assessment period, or the day after a previous sanction ceases, and can be imposed for a fixed or open-ended period. If more than one sanction is imposed, they run one after the other. A sanction stops once you have worked for six months and earned more than your earnings threshold, or are assessed as having LCWRA (see

5.6 Types of sanctions

The level of sanctions depends on your conditionality group.

Higher level sanctions

These apply if you are subject to all work-related requirements and you:
cease working or lose pay because of misconduct, or voluntarily for no good reason

fail for no good reason to apply for a job or take up an offer of paid work

fail for no good reason to undertake a work placement or activity.

6 Elements of UC

Your UC payment

Work capability

This element applies if you have ‘

Housing costs

This element is for rent and similar payments (such as payments for a licence, shared ownership schemes, site fees, and houseboat mooring) and some service charges on accommodation normally occupied as your home. See DWP guidance in section 11 for more information.

You must be liable to make payments on a commercial basis to qualify for housing costs. You are not treated as liable to make payments to resident family members and close relatives. You can be temporarily absent from your home for a maximum of six months and still receive housing costs.

If you are a social housing tenant or contract holder in Wales, your entitlement is reduced if you have excess bedrooms. For one excess bedroom, the amount is reduced by 14 per cent of your eligible rent and for two or more excess bedrooms, by 25 per cent. This is commonly called the '*bedroom tax*'.

Entitlement for private tenants or contract holders is worked out using the Local Housing Allowance for your area. If you live in specified supported accommodation, housing costs are met by Housing Benefit.

6.1 SDP transitional element

This element only applies if you or your partner received a **severe disability premium** (SDP) as part of your IB-JSA, IR-ESA or IS award within the month before you claimed UC. You must continue to satisfy the SDP conditions and those of any other premiums included in the element up to and including the first day of your UC entitlement. You qualify for the SDP transitional element if:

you receive AA, DLA middle or high rate care component, PIP daily living component, Armed Forces Independence Payment (AFIP), or ADP in Scotland, and

no one is actually paid Carer's Allowance/CSP or the carer element of UC to look after you (it does not matter if someone had an entitlement to Carer's Allowance/CSP), and

you live alone or are treated as living alone.

If you claim UC because you receive a migration notice as part of managed migration and you get a transitional element as a result, you cannot also have the SDP transitional element included in your award. The SDP transitional element cannot be included if you claim UC because you form a new couple with someone who is already getting UC.

The monthly amount you are entitled to depends on whether the LCWRA element (

These additional amounts only apply if you are entitled to the SDP transitional element. They are included in your maximum UC even if your transitional element has been reduced to nil by other increases in your award. The additional amounts will then reduce in the same way as the SDP transitional element.

If you or your partner become entitled to the carer element (see page 20) after the first day of the UC award but within your first assessment period, this may affect your SDP transitional element. If you become entitled to the carer element after your first assessment period, the amount of the carer element reduces your transitional element by the same amount.

If you cease to satisfy the SDP requirements after your first assessment period, for

Unearned income

All '*specified*' monthly unearned income is taken into account and reduces UC entitlement on a pound for pound basis. '*Specified*' means the type of income is set out in regulations.

Specified unearned income includes:

JSA, ESA, Carer's Allowance, CSP, bereavement and widow's payments, maternity allowance, and industrial injuries benefit

State Pension, and occupational and private pensions

annuities and trust payments (unless compensation for personal injury)

spousal maintenance under a court order or agreement

student grants and loans

notional and tariff income (see below and section 7.2)

other taxable income.

Some types of income are not specified and so are not taken into account, including AA, ADP/SCP in Scotland, DLA, PIP, Child Benefit, child maintenance, personal injury payments, and volunteer expenses.

Earned income

Any **earnings**

7.4 Examples of UC calculations

Single person with a disability

Receives contributory ESA (£392.17 a month) and PIP standard daily living component (£314.82 a month). No other income or capital. Has eligible housing costs of £300 a month.

Maximum UC

Income

Standard element - £393.45

ESA - £392.17

Relevant changes include:

changes to your employment (changes to earnings are usually reported to the DWP by HMRC, but you are required to check these figures are correct as any overpayment is recoverable from you)

changes to other income or capital

becoming, or ceasing to be, a member of a couple

becoming responsible for a child

temporary absences from Great Britain (see next section).

Example

Tim moves into cheaper accommodation in the fourth week of his assessment period.

Overpayments can be recovered at set statutory amounts from on-going UC payments, other benefit payments, deductions from earnings or by court order. You can ask DWP to exercise discretion not to recover an overpayment, but they do not have to agree to such a request.

A civil penalty can be imposed if an overpayment arises because you

10.4 Other benefits

Council Tax Reduction

Council Tax Reduction or Support is help towards Council Tax if you claim UC, other means-tested benefits, or are on a low income. You must be liable to pay Council Tax but it does not matter if you are a tenant, home owner, contract holder or other kind of resident.

If you live alone, or your home has certain adaptations for a disabled person, or you have a severe mental impairment, you may receive a discount on your Council Tax bill. For more information, see factsheet 21, *Council Tax*. In **Wales**, see Age Cymru factsheet 21w, *Council Tax in Wales*. In **Scotland**, see Age Scotland guide, *Council Tax and Council Tax and Council Tax Reduction*.

Healthcare costs

Depending on your income and savings, you may get help with healthcare costs through the [Local Authority](#). For example, prescriptions, dental care and glasses. For more information, see factsheet 61, *Help with health costs*, or Age Cymru, 61w, *Help with NHS health costs in Wales*, in Scotland see *NHS Services for Older People*.

Social fund and local welfare provision

The Social Fund provides

10.6 Discretionary housing payments (DHP)

If there is a shortfall between your rent and the amount of housing costs you receive, you can apply to your local authority for a DHP to make up the difference. You may be able to get a DHP if your UC is reduced because of spare bedrooms, non-dependant deductions, benefit cap reductions, or your entitlement is restricted under the Local Housing Allowance rules.

You must apply by requesting a form or by writing to the authority. It is important to describe your circumstances fully and explain why you are in financial difficulty. The local authority has discretion in whether to award a DHP and even if they do, they are usually only for a period of up to one year. There is no right of appeal if your application is refused, although you can ask for the decision to be looked at again.

11 DWP guidance

Specific areas of UC guidance highlighted in this factsheet can be found at www.gov.uk/government/publications/advice-for-decision-making-staff-guide and selecting the appropriate heading:

- **Sanctions** (section 5.8) – *Chapter K2 Good reason*
- **Work capability** (page 20) – *Chapters G2 (LCW), G3 (LCW&WRA) and G1 (work capability assessment)*
- **Housing costs** (page 21) – *Chapters F2, F3 and F4*
- **Capital** (section 7.2) – *Chapters H1 and H2 (disregards)*
- **Settled status** – If you are an EEA citizen (except Irish citizens who do not need leave to remain in the UK) and have
 , you have indefinite leave to remain in the UK and are not subject to immigration control. You can stay in the UK and be

such as those outlined in this factsheet for UC.

Pre-

If you have *pre-* , you can stay in the UK for up to five years from the date you got your status. You should apply for before your pre-settled status. For more information, see www.gov.uk/settled-status-eu-citizens-families/switch-from-presettled-status-to-settled-status

Started living in the UK after 31 December 2020 If you moved to the UK after 31 December 2020, the only way you can be eligible for the EU Settlement Scheme is if you are a family member of an EEA or Swiss citizen and that person was living in the UK by 31 December 2020. For more information see www.gov.uk/settled-status-eu-citizens-families/join-EU-EEA-Swiss-family-member

If the above is not applicable, you are subject to immigration control (and so not eligible for certain benefits like UC) until you have the necessary immigration leave to remain in the UK. For more information see www.gov.uk/check-uk-visa

Useful organisations

Carers UK

www.carersuk.org (England)
www.carersuk.org/scotland (Scotland)
www.carerswales.org (Wales)
Telephone Helpline 0808 808 7777

Provides information and support for carers, including benefits.

Citizens Advice

England or Wales go to www.citizensadvice.org.uk
Scotland go to www.cas.org.uk
In England telephone 0800 144 8848
In Wales telephone 0800 702 2020
In Scotland telephone 0800 028 1456

Citizens Advice Help to Claim service

www.citizensadvice.org.uk/about-us/contact-us/contact-us/help-to-claim
Telephone 0800 144 8 444 (England), 08000 241 220 (Wales) or
0800 023 2581 (Scotland)

National network of advice centres offering free, confidential, independent advice.

Disability Service Centre

www.gov.uk/disability-benefits-helpline

DWP helpline providing advice or information about any claim for Disability Living Allowance, Personal Independence Payment or Attendance Allowance that you have already made.

Disability Law Service

www.dls.org.uk
Telephone 0207 791 9800

Provides free, confidential legal advice to disabled adults, their families and carers.

Disability Rights UK

www.disabilityrightsuk.org

Provide information and advice about claiming disability benefits.

Discretionary Assistance Fund for Wales (The)

www.gov.wales/discretionary-assistance-fund-daf
Telephone 0800 859 5924

Gov.uk

www.gov.uk

Official government website, includes information about pensions planning and the State Pension.

Jobcentre Plus

www.gov.uk/contact-jobcentre-plus

Telephone 0800 055 6688

Administers most benefit claims for working age people.

MoneyHelper

www.moneyhelper.org.uk

Telephone 0800 138 7777

Free, unbiased money advice to everyone across the UK.

Pension Service (The)

www.gov.uk/contact-pension-service

Telephone 0800 731 0469

Future Pension Centre 0800 731 0175

Details of state pensions including forecasts and claiming your pension.

Settled

<https://settled.org.uk/en/>

Telephone 0330 223 5336 select the language you wish to speak.

Alternatively, email (in your preferred language) an explanation of your situation, name and location, and someone will reply as soon as possible:

advice@settled.org.uk for general enquiries

roma.advice@settled.org.uk for the service for Roma people.

ApplyEUSSWales@settled.org.uk if you live in Wales, and would like support making an application for pre-settled or settled status

ukraineadvice@settled.org.uk for advice on Ukrainian visa schemes

Organisation for EEA citizens wanting advice and support about the EU Settlement Scheme.

Social Security Scotland

www.socialsecurity.gov.scot

Telephone 0800 182 2222

Responsible for paying ADP, CDP and SCP in Scotland

Tax Credits

www.gov.uk/manage-your-

Universal Credit

Claim www.gov.uk/apply-universal-credit

Online account www.gov.uk/sign-in-universal-credit

Helpline 0800 328 5644

Universal Credit Migration Notice helpline 0800 169 0328

Veterans UK

Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

Age UK Advice

www.ageuk.org.uk

0800 169 65 65

Lines are open seven days a week from 8.00am to 7.00pm

