



Universal Credit

What is Universal Credit?

Universal Credit is a new benefit that is being introduced to replace the six main means tested benefits for working age claimants. The idea is to make the transition into work from being on benefits a lot easier and to make it clearer that claimants will be better off in work. Universal Credit is administered by DWP, which should make it easier to deal with changes – at the moment claimants can need to notify DWP, the local council and HMRC if their circumstances change.

Which benefits are being replaced?

Universal Credit replaces:

- Income Support
- Income based Jobseekers Allowance
- Income related Employment & Support Allowance
- Child Tax Credits
- Working Tax Credits
- Housing Benefit

However a lot of benefits will not be affected by these changes, including contributory benefits (such as contributions based Jobseekers Allowance and contributory Employment & Support Allowance), statutory payments (such as Statutory Sick Pay and Statutory Maternity Pay), disability benefits (such as Personal Independence Payments and Attendance Allowance) and other benefits (such as Child Benefit and Carers' Allowance).

Will I qualify for Universal Credit?

Universal Credit will be an in and out of work benefit – the idea is that claimants can continue to receive some UC as they move into work or increase their work hours and it should be easier to understand how changes to pay will affect the amount of benefit that can be paid.

Universal Credit will include amounts to cover a basic amount for adults in the household (with some variation for single people and couples and according to age); an amount for any children in the household; additional amounts for adults with a limited capability for work and/or limited capability for work related activity or who are recognised as carers; additional amounts for any children with disabilities and an amount to cover housing costs – rent or mortgage (with some restrictions).

The Government has given a guarantee that no household which is moved onto Universal Credit from other benefit will be worse off at the point they are transferred.

How do I claim Universal Credit?

It is intended that all claims for Universal Credit will be made and maintained online. At present, claims are made on-line at www.gov.uk Where claimants are in work their employer should notify their monthly earnings via an HMRC system so that the DWP can make a monthly assessment of entitlement.

When will Universal Credit be introduced?

Universal Credit has already been introduced for a limited range of claimants – mostly single jobseekers who do not have any dependants or additional health needs. The groups who can claim Universal Credit will be widened into 2011. It is likely to be some time before existing benefit claimants are transferred onto Universal Credit.

Claimants cannot choose to claim Universal Credit – they will be notified when it has been introduced for their circumstances and will be advised when any current benefit claims are due to be transferred.

How will Universal Credit be paid?

Universal Credit will be paid as one payment to cover all parts of the benefit, including rent costs and amounts for children. Couples will nominate one partner to receive the payment – it cannot be split.

Currently benefits are paid, weekly, fortnightly or four weekly. Universal Credit will be paid monthly in arrears.

The Claimant Commitment

A big change with Universal Credit is the introduction of the 'claimant commitment'. This replaces the current 'jobseekers agreement' but is already being extended to cover **all** benefit claimants. Where a couple make a joint claim for Universal Credit they will each have their own claimant commitment depending on their individual level of conditionality.

The 'claimant commitment' is being rolled out separately to Universal Credit; in the first instance it is replacing the current jobseeking agreements.

Conditionality

This refers to the level of activity expected from individual claimants, depending on their circumstances.

- **No conditionality** will be applied to carers and lone parents or the nominated parent of a child aged under one year. There will also be no conditions attached to claimants who have been placed in the 'support group' or who meet the earnings requirements (ie those in full time work).

- **Work Focused Interviews:** lone parents and the nominated parent of a child aged under five will be invited to attend work focused interviews in preparation for moving into increased work seeking preparation and action.
- **Work preparation:** claimants with a limited capability for work (except for those in the support group) are required to undertake work related activity. The idea is to maintain and develop skills, experience and employment links so that should their health condition improve they are already one step ahead of a return to employment.
- **Full conditionality:** all other claimants will be required to demonstrate that they are available for and actively seeking employment.

Partners in a joint claim may have different levels of conditionality under their individual claimant commitment. Currently a couple could receive Income Support because one of them is a carer and the other partner will have no obligations but under Universal Credit the partner could be required to be available for and actively seeking work unless they fit into another category of conditionality.

Any failure to meet the requirements of the individual's claimant commitment could lead to a **sanction** being applied and benefit payments being reduced or even stopped. Please see our [factsheet](#) about sanctions.

Member of

advice UK

The voice of independent advice

Community Law Service offer specialist benefit advice to assist with identifying benefit entitlement, claiming benefits, understanding benefit decisions and registering benefit challenges and appeal. We can offer appointments to give advice and assistance to prepare for benefit appeals.

Community Law Service 49-53 Hazelwood Road, Northampton, NN1 1LG Tel: 01604 621038

www.communitylawservice.org.uk