

Disability Law Service
Fighting injustice for disabled people

A Guide to Universal Credit (UC)

What is Universal Credit (UC)?

Universal Credit is a payment you can get to help with your living costs. It might be worth claiming UC for example if you are struggling to pay the bills, you have lost your job, your income has dropped, or you have childcare costs. You can get UC if you are out of work, cannot work or have caring responsibilities, as well as working.

Moving to Universal Credit

For most people, Universal Credit **has replaced** or **is gradually replacing** the following benefits:

- Housing Benefit
- Income-related Employment and Support Allowance (ESA)
- Income-related Jobseeker's Allowance (JSA)
- Income Support
- Working tax Credit
- Child Tax Credit

Please note that UC works differently than the "old style" also called legacy benefits. Some of the differences include:

- You can get UC if you are unemployed, but also if you are working
- You will receive one payment each month, rather than weekly or fortnightly
- Your rent will usually be paid directly as a part of your UC payment, instead of receiving a separate housing benefit

You can usually stay on the "old" benefits unless

- Your situation has changed
- You receive a letter from DWP telling you to move to UC
 - This is called a "**migration notice**"

What are the eligibility requirements?

To claim, you must:

- Be aged 18 or over
 - There are some exceptions if you are 16 to 17 years old
- Be under State Pension age
- Live in the UK
- Have £16,000 or less of "**capital**"
 - Capital includes money, savings and investments, but it doesn't include your pension pot or the home you live in

You could be:

- Working, including self-employed or part-time
- Out of work
- Unable to work, for example because of a disability

If you live with a partner:

You will both need to claim for Universal Credit and make a joint claim for the household. You will both need to create accounts and link them together when you claim. How much UC you can get will depend on your and your partner's income and savings.

If you or your partner have reached State Pension age:

You and your partner can still claim UC as a couple. However, your UC claim will stop when both of you reach State Pension age. If you are getting Pension Credit, it will stop if you or your partner make a UC claim.

In most cases, staying on Pension Credit will leave you better off.

If you are studying or training:

You can make a claim for UC if you are in full-time education only if any, of the following apply:

- You live with a partner, and they are eligible for UC
- You are responsible for a child, as a single person or as a couple
- You have reached State Pension age and you live with a partner who is below State Pension age.
- You are under the age of 21 and in non advanced education or have reached 21 whilst in non advanced education and do not have parental support
- You are entitled to Disability Living Allowance, Child Disability Payment, Personal Independence Payment, Adult disability Payment or Attendance allowance **and** you have been found to have limited capability for work **before** you started your course.
- You are waiting to return to your course after an agreed break because you were ill or had to care for someone.

You may be able to claim if your studies are part-time or no student loan or finance is available for your course.

If you are 16 or 17:

You can make a claim for UC if any of the following apply:

- You have a disability or a health condition, and have medical evidence to prove it
 - For example, a fit note
- You are caring for someone who gets a health or disability-related benefit
- You are pregnant and expecting your baby in the next 11 weeks

- You have had a baby in the last 15 weeks
- You are responsible for a child
- You live with a partner, have responsibility for a child and your partner is eligible for UC
- You do not have parental support,
 - For example, you do not live with your parents and are not under local authority care

How to apply for UC? **Steps to follow**

What you will need to **apply**:

1. Proof of identity
 - a. For example: driving license, passport, debit or credit card, payslip or P60
2. Your email address
3. Access to a phone
4. Your bank account details

You will also need information about:

- Your housing
- Your earnings
- Any disability or health condition affecting your work
- Your savings and investments
- How much you pay for childcare (if you want help with childcare costs)

You might need to have an appointment with Universal Credit if they need more information or cannot verify your identity online.

How to apply:

- 1) You can apply for Universal Credit online by creating an account

<https://www.universal-credit.service.gov.uk/start>

You must complete the claim within 28 days, or you will have to start over.

- 2) If you cannot claim online, you can claim by phone through the Universal Credit helpline

You can make a phone claim or arrange a home visit.

Telephone: 0800 328 5644

Textphone: 0800 328 1344

Monday to Friday, 8am to 6pm

Note: Before you apply, you should make sure that you will be better off claiming UC than if you stayed on the current benefits you are getting. To check, you can use a benefits calculator or ask your local benefits adviser.

Claimant Commitment

To get UC payments, you will first need to accept a “**claimant commitment**”. You will have a meeting at the jobcentre to discuss your circumstances and if your personal circumstances could make it difficult for you to comply with your claimant commitment. Your commitment reviewed regularly and can change if your circumstances change.

By accepting the agreement, you agree to

- Prepare for and look for work, and
- If you are already working, you agree to increase your earnings. If you don't do everything you agreed to in the commitment, you can get a **sanction**. This means that your payment could be reduced or stopped. There are exceptions if you might have 12 months or less to live.

Your work coach will help you with applying for jobs, looking for work in your area or accessing training. You may also need to attend regular appointments at the jobcentre or by phone. You can get a **sanction** if you do not attend these or have a good reason for not attending.

If you live with a partner, you will each have your own claimant commitment.

What happens once you are entitled to UC?

How much UC can you get?

How much UC you can get will depend on:

- Your standard allowance
- Any extra amounts that apply
- If you are working and how much you earn
- If you have caring responsibilities

How do you get paid?

Universal Credit is paid monthly. UC is calculated based on your circumstances each month during “**assessment periods**”. You will usually receive your payment 7 days after each monthly assessment period ends. If you live with a partner, you will receive one payment for your household. It will usually take about 5 weeks to receive your first payment.

Advance payment

If you are waiting for your first payment or your circumstances have changed and you are expecting your UC payments to increase, you can request an advance payment.

You can request an advance by:

- Asking your work coach at your first Universal Credit interview
- Applying through your online account
- Calling the Universal Credit helpline

The advance payment is a loan, and you will have to pay it back – without any interest.

Changing how you are paid: **Alternative Payment Arrangement (APA)**

If you need help managing a single monthly payment, you can request to have your UC paid differently.

Having an APA includes:

- Your rent being paid directly to your landlord
- You receive payments twice a month instead of once a month
- You arrange to get a separate payment from your partner

You are more likely to get an APA if you have:

- Unpaid rent
- Addiction problems
- Mental health issues
- Learning difficulties
- Experience of homelessness
- Experience of domestic abuse

UC rates

If you are entitled to Universal Credit payments, you will receive a standard allowance. You may also be eligible for extra money on top of your standard allowance.

Standard allowance

You will receive one standard allowance for your household.

How much you can get

You are single and under 25

You are single and 25 or over

Standard monthly allowance

£311.68

£393.45

You live with your partner, and you are both under 25	£489.23 (for you both)
You live with your partner, and one/both 25 or over	£617.60 (for you both)

Extra amounts

You can get the extra amount if

- You have children,
- You have disabled children,
- You have a disability or a health condition,
- You care for someone who gets a health or disability-related benefit.

Children

You can get extra amounts for your first and second child. You cannot get extra money for any more children unless 1) your children were born before 6th April 2017, 2) you were already claiming for 3 or more children before 6th April 2017. There are exceptions for special circumstances, including multiple births, adoption and non-consensual conception.

How much you can get

Only child/eldest child*

Extra monthly amount

£333.33 (born before 6th April 2017)*

£269.58 (born on or after 6th April 2017)

For your second and any other eligible children

£287.92 per child

Disabled children

You will also get extra amount if any of your children are disabled. How much you get will depend on the child's disability.

Note: You are eligible for this amount no matter how many children you have.

How much you will get

If your child is disabled

Extra monthly amount

£156.11

If your child is severely disabled

£487.58

Childcare costs

If you are working, you can claim back up to 85% of your childcare cost. If you have a partner, both of you need to be working. There is an exception if one of you cannot work due to a disability or a health condition.

The childcare needs to be provided by a registered provider and can include nurseries, childminders or after school care.

How much you can get	Maximum monthly amount
For one child	£1,014.63
For 2 or more children	£1,739.37

If you have a disability or a health condition

How much you will get	Extra monthly amount
If you have limited capacity for work and work-related activity	£416.19 Higher Rate
	£156.11 Lower Rate

If you care for someone who gets a health or disability-related benefit

You can also receive extra amount in your UC payment if you care for someone receiving a health or disability-related benefit for at least 35 hours a week.

How much you will get	Extra monthly amount
If you provide care for someone who gets a health or disability-related benefit, for at least 35 hours a week	£198.31

Note: This is in addition to any extra amount you can get if you have a disabled child.

Housing costs

You may also get money to help with housing costs, including rent and some service charges. You can not get a housing costs element for help with your mortgage interest payments (or alternative finance payments) The DWP may offer you a loan for mortgage interest instead.

What can **impact how much UC** you can get?

Money taken off your payment

Your UC payments might be reduced if any of the following apply:

- You are paying back an advance on a UC payment
- You have more than £6,000 in money, savings and investments
- You have a paid job
- You have other income, for example money from pensions or benefits
- You would receive above the benefit cap amount
- You have been overpaid benefits in the past
- You owe money for Council Tax, court fines, electricity, gas, water, or Child Maintenance
- You pay your electricity or gas bill directly from your UC payment

Your earnings

If you or your partner are in work, how much UC you can get will depend on how much you earn. Your UC payment will reduce as you earn more. For every £1 you or your partner earn, your UC payment will be reduced by 55p.

Note: there are different rules if you are self-employed.

The work allowance

You can earn a certain amount before your UC payment is reduced if you or your partner are either: a) responsible for a child or a young person, or b) living with a health condition or disability that affects your ability to work.

Note Your work allowance is lower if you get help with housing costs. The lower work allowance will apply if a housing costs amount is included in your award or if you live in temporary accommodation.

	Monthly work allowance
Lower work allowance	£404
Higher work allowance	£673

How often you are paid

Your UC can be affected if you receive no wages or more than one set of wages during some assessment periods. This can happen if:

- You are paid weekly, every 2 weeks or every 4 weeks
 - You will be told if your earnings are too high and whether you need to reapply

How often you are paid by your employer

The impact

Every 4 weeks

Once a year, you receive 2 sets of wages in one assessment period

Every 2 weeks

Twice a year, you will receive 3 sets of wages in assessment period

Every week

Four times a year, you will receive 5 sets of wages in one assessment period

- Your monthly payment date changes
 - Your UC will usually be automatically adjusted

If you are paid one a month on the same date and your earnings do not change, your UC amount should stay the same.

Your earnings increased

As you or your partner's earnings increase, your payments will be reduced until you are earning enough to no longer claim UC. Your payments will then stop. You will be notified when this happens.

If you or your partner's earnings decrease after this, you could become eligible for UC again.

If you disagree with the decision

You can challenge the decision by asking for a **"mandatory reconsideration"** if:

- You think the office evaluating the claim made an error or missed important evidence
- You disagree with the reasons for the decision
- You want the decision looked at again

It is important that you understand the decision well before asking for a reconsideration as this can help you describe why it is that you disagree with the decision. If you need further explanation from the office, you can call them and ask further questions. You can still ask for the reconsideration after speaking to the office.

If you want the explanation in writing, you can request a written explanation – “written statement of reasons”. You must ask for a mandatory reconsideration within 14 days of the date on your written statement of reasons.

Asking for a **mandatory reconsideration**

What you need to provide:

1. Your name and address
2. Your date of birth
3. Your National Insurance number
4. The date of the original benefit decision

You need to explain what section of the decision is wrong and why. You can send evidence to support your claim; this can include new medical evidence, bank statements or care plans. Do not include evidence you have already sent, general information about your condition or appointment cards.

You must ask for a mandatory reconsideration **within one month** of the decision’s date. If you are sending the letter or form by post, it needs to arrive within the time limit. If you are applying after one month, you must provide a good reason, such as a hospital stay or bereavement. You must explain why you are asking for mandatory reconsideration late.

After the office considers your request, you will receive a “mandatory reconsideration notice” informing you whether they changed the decision.

If you disagree with the outcome, you can appeal to the Social Security and Child Support Tribunal. You can only appeal to the Tribunal once you receive mandatory reconsideration notice, and you must usually do this **within one month** of the notice’s date.

What if there is a **change to your situation?**

If there is a change to your situation, you should **report it immediately** by signing into your UC online account. This is very important because it could mean you losing out some of the money you might be entitled to, or it could mean you having to pay back some of the money you have received.

Some of changes you should report include:

- Finding or finishing a job
- Having a child
- Moving in with a partner
- Change to your address or contact details

- Changes to your bank details
- Starting to care for a child or a disabled person
- Changes to your health condition
- Changes to your earnings, savings, and investments
- Changes to your immigration status

If you are not sure whether to report a change or not, it is best to contact the Universal Credit helpline or your local benefits adviser.