



# WELFARE AWARE

## UNDERSTANDING AND PREPARING FOR CHANGE

### Short Term Benefit Advances (STBA)

These have replaced Social Fund Crisis Loan alignment payments.

You will be considered for a Short Term Benefit Advance if you:

- Make a new claim and are in need of financial assistance before the claim is processed.
- A change of circumstance has arisen where you are entitled to more benefit and there is a delay from the time in which you are entitled and receiving the new benefit.
- In cases where it is impractical for benefit to be paid on the due date (e.g. due to a technical problem in processing the claim for payment).

STBA have been available to claimants of any social security benefit from April 2013 who can display 'financial need'.

### Repayment

For most people the maximum repayment will be 3 months. In special circumstances a 6 month period will be allowed.

### Budgeting Advances and Loans

You will be considered for a Budgeting Loan or Advance if you:

- Are claiming UC or been in receipt of another qualifying benefit for a least 6 months before migrating over to UC. (This does not apply if the Budgeting Advance is required for you to obtain or keep employment).
- Are considered to be on a low income (regulations will specify maximum earnings threshold for eligibility)

Budgeting Loans are for those who have not migrated over to Universal Credit. People who are receiving UC will need to apply for Budgeting Advances instead.

### Repayment

**Budgeting Advances:** will usually be a maximum recovery period of 1 year, extended to 18 months in exceptional circumstances.

**Budgeting Loans:** by contrast have a repayment period of 104 weeks. Claimants are not eligible for Budgeting Advances if they already have outstanding loans to the DWP.

**WHAT?** Budgeting Advances replaced Budgeting Loans from April 2013 but only for people on Universal Credit

Short Term Advances replaced Crisis Loans from April 2013 for relevant benefit claims

**WHEN?** Budgeting Loans will continue to be available for existing claimants up to 2017 until all such claims have migrated onto Universal Credit.

[www.homeless.org.uk/welfare-reform](http://www.homeless.org.uk/welfare-reform)

[www.facebook.com/homelesslink](https://www.facebook.com/homelesslink)

[@HomelessLink](https://twitter.com/HomelessLink)



## Budgeting Loans

These will continue as per usual from April 2013 for clients who have not migrated to Universal Credit.

Budgeting Loans remain will be available to you if you have claimed an income-related qualifying benefit for 26 weeks or more.

DWP's factsheet says, Budgeting Loans exist to help you:

“defray intermittent expenses such as needing to buy essential items such as furniture or household equipment, or expenses related to, for example, maternity or starting work.”

## Repayment of Budgeting Loans

Repayments of Budgeting Loans remain over a maximum period of 2 years.

**WHAT?** Budgeting Advances replaced Budgeting Loans from April 2013 but only for people on Universal Credit

Short Term Advances replaced Crisis Loans from April 2013 for relevant benefit claims

**WHEN?** Budgeting Loans will continue to be available for existing claimants up to 2017 until all such claims have migrated onto Universal Credit.

[www.homeless.org.uk/welfare-reform](http://www.homeless.org.uk/welfare-reform)

[www.facebook.com/homelesslink](https://www.facebook.com/homelesslink)

[@HomelessLink](https://twitter.com/HomelessLink)



If you move from other benefits to Universal Credit you will no longer be eligible to apply for Budgeting Loans. You will need to apply for Budgeting Advance instead

**WHAT?** Budgeting Advances replaced Budgeting Loans from April 2013 but only for people on Universal Credit

Short Term Advances replaced Crisis Loans from April 2013 for relevant benefit claims

**WHEN?** Budgeting Loans will continue to be available for existing claimants up to 2017 until all such claims have migrated onto Universal Credit.

[www.homeless.org.uk/welfare-reform](http://www.homeless.org.uk/welfare-reform)

 [www.facebook.com/homelesslink](https://www.facebook.com/homelesslink)

 [@HomelessLink](https://twitter.com/HomelessLink)

