



WELFARE AWARE

UNDERSTANDING AND PREPARING FOR CHANGE

UNIVERSAL CREDIT

What is Universal Credit?

Universal Credit (UC) is the new system for welfare benefits, with different ways to apply for, manage, and receive benefits. UC started in April 2013 but currently applies to small numbers of claimants in certain geographical areas.

Universal Credit (UC) is:

- A single monthly payment that includes all the different income-based benefits you receive, such as Employment and Support Allowance or Jobseekers' Allowance, and housing benefit combined. Child tax credits and working tax credits will also come under UC.
- Instead of different benefits UC will be made up of different 'elements' such as standard allowance element, a housing costs element, and additional elements where you have responsibility for children or are unable to work.
- One person in a household will receive the total benefit (the household in this case would be a family, such as a couple with or without children, joint claims etc.)
- UC will be best managed online, but some people will be eligible for making and managing their claim by telephone or face to face.

Changes to paying bills directly from benefits

- Most working age claimants will not be able to have their rent paid directly to the landlord, but there will be some exceptions for people who really need this assistance.
- There will be much less opportunity to pay other bills directly from benefits, such as personal services charges. These deductions will be available only to pay off arrears.

Exceptions to the main UC system

Most people claiming UC will receive a single monthly payment, but there will be three types of exceptions:

- Some people will be able to have the housing cost element paid directly to their landlord.
- Some people will receive their UC payment more frequently than once a month.
- Some joint claims will be paid to both claimants, or changed to the other member of a couple.
- Most supported housing will have housing costs paid by Housing Benefit not UC
- There will also be support to help with budgeting skills and money management.

WHAT? The new system for welfare benefits, a single monthly payment of all benefits direct to the claimant

WHEN? UC is rolling out slowly an exact timetable is not available

WHO? Everyone of working age who receives benefits will move onto Universal Credit by 2017

www.homeless.org.uk/welfare-reform

www.facebook.com/homelesslink

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



homeless link

• **How will I know what level of support I'm on or what I need to do?**

Instead of the different types of benefits there will be four groups with different levels of support and rules about what you need to do.

The groups are based around whether or not you are ready and able to work or not. These groups will be:

- no work-related requirements (similar to the full support group of ESA),
- the work-focused interview requirement only,
- the work preparation requirement, or
- all work-related requirements (similar to JSA)

You will need to sign a Claimant Commitment, a bit like a contract with the Job Centre, which will include information about what is expected of you and what the consequences of breaking any of the rules will be. No matter which of the above groups you are in you will need to sign a Claimant Commitment, which will be relevant to your situation.

Changes to sanctions

- Since October 2012 there have been changes to the rules (conditionality) for people on Job Seekers' Allowance, with harsher penalties (sanctions). These rules will continue under UC.
- There is also going to be more conditions for people in the three groups that have less work related requirements in the future.
- Sanctions under UC will only be applied to the value of the standard allowance element.

What can I do?

There is lots you can do now to get ready for the changes.

- Have you got a fully functional bank account that you can make standing orders or direct debits from? This is really helpful in managing a monthly budget. If you are living in a hostel or similar and have trouble proving your address to the bank, get the manager to talk to the bank manager of the local branch.
- Does your local community centre or local authority run money management courses? There are many ways to manage your money without stress.
- Are you on-line? Do you have the right IT skills? Are there courses you could start attending now to get you ready?

Need more help?

Have a benefits 'check-up' to make sure that you are claiming the right benefits.

Talk to Citizens Advice for information on benefits, debt and money management
Tel: 08444 111 444 (England)
www.citizensadvice.org.uk

The Money Advice Service has lots of useful, free tools to help you plan your budget.
www.moneyadviceservice.org.uk

Talk to the JobCentre, your local council, or your support worker.

