Other benefits

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Introduction

Universal Credit provides a single integrated system of in and out of work support for working age claimants. It abolishes the following benefits:

- income-based Jobseekers Allowance
- income-related Employment and Support Allowance
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

However, other benefits/payments will continue to exist.

If other benefits are received, this may impact on the Universal Credit award. Some benefits are ignored whereas other benefits have a pound for pound impact on the Universal Credit award.

Other benefits

Universal Credit should not be paid to claimants with enough income available from other sources to support themselves. Exceptions are where payments are received in respect of additional costs which the claimant has, for example disability benefits.

Claimants who receive other benefits in addition to Universal Credit are subject to the relevant Universal Credit <u>Labour Market regime</u> based on their relevant Universal Credit legal conditionality group.

Other benefits taken fully into account

The following benefits are taken fully into account when calculating Universal Credit payments:

- Bereavement Allowance
- Carer's Allowance
- New style Employment and Support Allowance (contribution-based)
- Incapacity Benefit
- Severe Disablement Allowance
- Industrial Injuries Disablement Benefit
- New style Jobseeker's Allowance (contribution-based)
- Maternity Allowance
- State Pension
- Widowed Mother's Allowance
- Widowed Parent's Allowance
- Widow's Pension

This means for each £1 received from these benefits, the Universal Credit payment is reduced by £1.

Any benefit, allowance or payment from a country outside the United Kingdom could also be taken fully into account, depending on the circumstances.

Annual uprating

Annual uprating is the yearly increase in benefit rates.

The uprated amount of other benefits taken fully into account is applied from the start of the same assessment period in which the claimant's Universal Credit award itself is up-rated.

Benefit Cap

The <u>Benefit Cap</u> applies to the combined entitlement to Universal Credit and other benefits.

Overpayments

Overpayments of Universal Credit can be recovered from arrears of other benefits.

Other benefits/pensions which are ignored

Benefits/pensions ignored are:

- local Council Tax Benefit
- Disability Living Allowance
- Personal Independence Payment
- Attendance Allowance/ Constant Attendance Allowance (including Industrial Injuries and War Disablement Pension strands of Constant Attendance Allowance)
- Access to Work payments
- Independent Living Payments
- Child Benefit
- Guardian's Allowance
- Fostering Allowance
- Discretionary Housing Payments (LA)
- Christmas Bonus
- Bereavement Payment
- War Pensions (including War Disablement Pension and War Widows/Widowers Pensions)

Pension Credit

Universal Credit offers a signposting service for State Pension Credit (SPC).Claimants can find further information about SPC on Gov.UK.

A benefit unit cannot be in receipt of both Pension Credit and Universal Credit. One of the basic conditions for getting Universal Credit is that a claimant must not be over the qualifying age for SPC. This is called the Upper Age Limit.

Joint claim

The Upper Age Limit doesn't apply if the person over State Pension age is in a joint claim and their partner has not reached that age. Both adults are eligible for Universal Credit providing all other conditions of entitlement are met. The person over the SPC qualifying age is exempt from work conditionality and will be placed in the <u>no work related requirements regime</u>.

Example:

One adult in a couple is 57 and the other is 75. Both are able to claim Universal Credit together as a joint claim in the normal way.

Once Universal Credit Full Service is live nationally for all new claims, couples with only one person over the Pension Credit qualifying age will no longer be eligible for Pension Credit. This will ensure that the younger member of the couple has access to support to find work, if appropriate.

The person over the SPC qualifying age is exempt from work conditionality and will be placed in the no work related requirements regime.

If the adult over SPC qualifying age separates from the eligible adult under SPC qualifying age, they would become ineligible for Universal Credit and would need to claim SPC.

The SPC qualifying age is linked to women's State Pension age, so both men and women can qualify for SPC when they have reached women's State Pension age.

Advance claim to Pension Credit

A Universal Credit claimant can make an advance claim to Pension Credit. If an advance claim is made; and the claimant reaches Pension Credit age partway through their assessment period, Universal Credit will pay a pro-rata payment at the end of that assessment period. This will be in respect of any days between the first day of the assessment period and the day before they reach Pension Credit age.

Earnings or other income received in any part of the assessment period are taken into account in the Universal Credit award calculation as normal. If a claim to Pension Credit is made, but not in advance, Universal Credit is not paid pro-rata in the final part month, and there will be a gap in entitlement.

Additional support

When Child Tax Credit is abolished customers over Pension Credit qualifying age with dependent children will, if eligible, receive an additional amount for children in their Pension Credit. This will be known as the Child Addition and will broadly mirror the provisions in Universal Credit.

Housing Benefit for pensioners will remain until at least March 2022, but we are looking at how support for rent for pensioners will be provided in the longer term.

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