

# All about Universal Credit

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## What is Universal Credit

Universal Credit is a benefit, which combines in and out of work benefits whilst supporting employed claimants with childcare and housing costs.

Universal Credit is replacing:

- Income Support
- income-based Jobseeker's Allowance
- income-related Employment Support Allowance
- Housing Benefit
- Working Tax Credit
- Child Tax Credit

New claims to the benefits listed above can only be made if the claimant is already receiving or entitled to the Severe Disability Premium. Therefore, if an existing benefit claimant has a change of circumstances that means they would have to make a new claim to one of those benefits, they will not be able to do so. They must make a claim for Universal Credit.

Universal Credit is a monthly-assessed benefit, paid monthly in arrears regardless of the number of days in a month.

Claimants must normally:

- over 18
- under state pension age
- be resident in Great Britain
- not be in full time education or training
- not have savings over £16,000
- have accepted a claimant commitment

Some exceptions to the above may apply.

Young people aged 16 and 17 will not usually be able to get Universal Credit in their own right because they should look to their parents (or the care system) for support. They are also, expected to be in education or training, with the exception of those in Scotland, where there is no requirement to stay in education/training until aged 18. For further information, see Under 18s, see Students and [What is a couple claim](#).

### **New style JSA and ESA**

New style JSA and ESA can be claimed with Universal Credit or independently. Where new style benefits are claimed with Universal Credit it is known as a dual claim and the customer will only be required to have one appointment to confirm their identity.

Where the dual claim includes new style ESA, only one claimant commitment is required and the work capability assessment (WCA) for Universal Credit can be used for both benefit decisions.

For further information, see New style Employment and Support Allowance and Jobseeker's Allowance (contribution-based).

### **Universal Credit**

Universal Credit is an interactive service, which claimants and staff use to build and maintain accounts for Universal Credit.

The online service is available 24 hours a day, 7 days a week, 365 days a year.

Universal Credit will work on mobile devices as well as on a desktop computer, making it easier for claimants to access the service in a way that suits them.

The service is available to all claimant types, for example:

- singles

- couples
- families
- people out of work
- people in work
- self employed
- people who are sick
- carers

Claimants apply directly on line to register and create an account and are able to maintain their account themselves, including any changes in circumstances.

It is important that claimants take any actions they are required to carry out. Some of these actions are time bound. For example, where a claimant needs to book an ID verification and or evidence appointment, they need to do this within one calendar month from the date the request for the evidence was made.

In order to complete a Universal Credit claim a claimant commitment must be accepted. If a claimant doesn't take action to discuss and accept their claimant commitment, their Universal Credit claim may be closed immediately or within 7 days.

Claimants can use GOV.UK Verify to let the service know they are who they say they are.

Work coaches and case managers can see the same information on the single system.

Claimants and staff can access the 'entitled to' benefit calculator via GOV.UK to get an estimate of how much Universal Credit the claimant may be entitled to claim. See [Benefits Calculators](#).

### **Proof of benefit**

Universal Credit does not provide proof of benefit letters. Universal Credit is an online service and all notifications are made through the claimant's online account, no clerical letters are issued. Claimants can print their payment award notice from their online account where such facilities exist.

### **What is assisted digital**

Assisted Digital supports claimants who are not able to access the service through the standard process.

If claimants are having difficulty using the online service, assistance will be provided in accessing the service in a way that is appropriate for their needs. The following options are available:

- support from family or friends

- telephone support when using the online channel
- in-house coaching in the Jobcentre
- Help to Claim provided by Citizens Advice and Citizens Advice Scotland
- home visit
- agent as proxy (only in extreme circumstances)

Universal Credit staff must not enter information on a claimant's behalf unless it is in extreme circumstances where the agent is acting as proxy. The information entered and the accuracy of this information is the responsibility of the claimant.

For further information, see Assisted Digital.

### **What is a couple claim**

If a claimant lives with their partner and both are eligible to claim Universal Credit, they will receive a single payment that covers them both.

A basic standard allowance is based on both of their ages. The upper age limit does not apply if the person over State Pension age is in a joint claim and their partner has not reached that age. Mixed age couples have to claim Universal Credit until both members of the couple have reached Pension Credit qualifying age.

Both adults are eligible for Universal Credit provided they meet conditions of entitlement. The person over the Pension credit qualifying age is exempt from work conditionality and placed in the no work related requirements regime.

Both members of a couple have access to the journal so this must be considered when writing anything in the journal - both claimants are entitled to protection of their personal information.

Where arrears of Universal Credit are owed for a period of a couple claim and the couple separate, the arrears are to be split equally to both parties. Where one member of the couple have not made or claim or cannot be contacted, 50% of the arrears owed should be paid to the claimant with a live claim and the remaining 50% held until the other partner claims again.

### **What is the Labour Market offer**

Universal Credit supports claimants to get work, move closer to work or get more work. The majority of claimants will be self-sufficient and expected to work more, earn more or prepare for work in the future. Claimants will be provided with support tailored to their individual needs.

Claimants will be allocated to one of 6 labour market regimes depending on individual circumstances, for example the level of earnings, caring status and health. These are:

- Working Enough
- No Work Related Requirements
- Work Focused Interview
- Work Preparation
- Light Touch
- Intensive Work Search

If a claimant could fall in to more than one regime, the regime with the lowest conditionality will apply.

A claimant can be allocated to different regimes when their circumstances change - for example an increase/decrease in earnings.

For further information, see Labour Market regimes.

### **What are the claimant's responsibilities?**

When the claimant makes a claim to Universal Credit, they must:

- accept a commitment tailored to their circumstances
- be responsible for paying their own housing costs where relevant
- report changes in circumstances through their account
- manage their monthly payments and budget monthly
- seek additional work and increase their earnings if they are working part-time and able to earn more
- carry out any actions they have agreed to move them in to work unless they have a good reason not to do so

Claimants can get more information online at [GOV.UK/universal-credit](https://www.gov.uk/universal-credit)

### **What are a claimant's commitments?**

A claimant commitment is an agreement, which sets out what they have agreed to do to prepare for and look for work, or to increase their earnings if they are already working.

A claimant must accept their commitments in order to receive Universal Credit.

The claimant will be asked to commit to work related activities that are relevant to their circumstances and regime. If these are compulsory, the claimant may have their Universal Credit amount reduced (sanctioned) if they fail, without good reason, to carry these out.

On an on-going basis, the commitments will be reviewed and updated and a new commitment must be accepted to keep receiving Universal Credit.

For further information, see Claimant Commitment.

## **What is the first assessment period?**

The first assessment period starts when the claimant makes their Universal Credit claim (unless the claim is backdated). An assessment period is a period of one month. At the end of each assessment period, a claimant's Universal Credit for that month is calculated.

It is during the first assessment period that most 'To-dos' are created. It is essential that the claimant, work coach and case manager complete all of the activities correctly and in the specified time. If not, the claimant will not be paid correctly or on time, resulting in more journal entries, telephone calls, queries and complaints for us to deal with.

For further information, see [First assessment period](#)

## **How are claims managed in Universal Credit?**

Because of the complexity of different claimant groups and claims in Universal Credit, a structured approach has been developed to case manage all claims.

This ensures the best possible customer service and also supports colleagues to:

- identify the priority of their work, and
- take all actions possible to progress a case regardless of the reason they have accessed it

More information can be found in [Case Management](#).

## **The Journal**

The Journal is the main method of communication between the claimant, Work Coach and Service Centre.

### **The claimant 'To-do' list**

The claimant's 'To-do' list is a list of actions that the claimant needs to carry out to move their claim forwards. Once the claim has been established these 'To-dos' may also include actions to help the claimants improve their chances of moving closer to work, or increasing the earnings they already have. Failure to carry out a 'To-do' will usually have an impact on the progress of their claim.

'To-dos' can be generated automatically by the Service or manually by Case Managers or Work Coaches.

Claimants are able to upload childcare costs that are to be verified and CV's with covering letters that claimants have asked to be reviewed as part of their work search review interview.

Once a 'To-do' is completed summary information is automatically moved to the claimant's journal page so that they can see what has been completed.

## **How are payments made**

Universal Credit is paid into a bank, building society, Credit Union, or Post Office Card Account. This is ideally in the claimant's name. If they do not have their own account, they are required to open one.

For further information, see Method of payment spotlight in the Complex needs section.

Each month the amount is calculated dependent on the claimant's circumstances and earnings for that period. This is the assessment period.

Payments will usually be paid on the same date each month or earlier if the date falls on a weekend or bank holiday.

## **What is money guidance**

Some claimants may struggle in setting up their claim and taking actions to ensure their first payment is correct and on time. In Great Britain (England, Wales and Scotland) claimants can access the new Citizens Advice 'Help to Claim' service to help with that.

Help to Claim helps claimants provide evidence, use their account to clear to-do's and to request financial products such as advances and Alternative Payment Arrangements (APA's).

Claimants who require further money guidance or debt advice should be referred to further support by Help to Claim or by Universal Credit agents.

## **What is the Benefit cap?**

The benefit cap is a cap to the amount of benefit claimants can receive.

The benefit cap for a single claimant is different to that for a couple and single parent benefit unit.

The benefit cap nationally for couples and lone parents; and single claimants without children is different to the cap applied for those claimants living in Greater London. The benefit cap applied in Greater London is slightly higher.

The benefit cap may reduce the amount of Universal Credit a claimant receives.

There are exemptions to the benefit cap, see the benefit cap guidance.

## **What is the earnings taper**

To make sure claimants are better off in work, Universal Credit tops up their wages each month whilst needed.

As the claimant earns more, Universal Credit payments will gradually reduce, known as the earnings taper. If the claimant's job ends or their earnings reduce, their Universal Credit payments will increase.

Claimants can earn a certain amount before their Universal Credit payment is reduced. The more they earn, the higher their total income will be, which helps ensure they will be better off in work than on benefits.

Once a claimant is earning enough money through work, they will no longer receive Universal Credit. The service will automatically notify claimants if this is the case and the claim is closed.

### **What is a sanction**

If claimants fail to meet their responsibilities as agreed in their commitment, they will have a reduction in their benefit, known as a sanction. The period of reduction will increase the more times that they fail to meet similar requirements. In Universal Credit, there are four sanction levels:

- higher
- medium
- low
- lowest

For further information, see Sanctions

### **Mandatory Reconsideration**

Mandatory Reconsideration is the process to review a decision by way of an application for a Decision Maker (DM) to consider.

It is not possible to appeal to Her Majesty's Court and Tribunal Service (HMCTS) without first having had a Mandatory Reconsideration.

The application for revision must be within one calendar month of the date on the decision notice; in certain circumstances, it may be extended.

Where the claimant requests a reconsideration but not within the time limit and the reason(s) for lateness is not accepted, the claimant has no right of appeal in relation to the original decision. This would be an exceptional case.

For further information, see Mandatory Reconsideration

### **Move to Universal Credit**

Between July 2019 and 2023, the final phase of Universal Credit rollout will take place. During this phase, the Department will move all remaining claimants on the 6 existing benefits shown in the first paragraph to Universal Credit. This is known as Move to Universal Credit.



See Moving onto Universal Credit.

### **What is Council Tax Reduction (CTR)**

Council Tax Reduction – also known as Council Tax Support is a reduction to council tax, claimants may be entitled to if they are on a low income or claim benefits.

Each local authority runs their own CTR schemes so there may be difference in eligibility and the amount of support give.

Depending on where the claimant lives, CTR may be:

- a discount worked out as a percentage of your council tax bill
- a discount of an amount set out in the scheme
- a discount equal to the whole amount of the council tax bill - so that the amount payable is nil

It is necessary for Universal Credit and local authorities to share information to support the delivery of CTR schemes.

Claimants can apply for CTR via GOV.UK. This will direct the claimant to the relevant page on their local authority's website, which will advise them of the steps they need to take.

For claimants not able to apply for themselves someone else is able to apply on their behalf, for example an appointed attorney or appointee.

### **Post**

Where a claimant is required to send information to us by post, the following are the two addresses to use.

For Special Delivery and Signed For post:

UCFS Post  
Canterbury BSC  
Nutwood House  
Chaucer Road  
Canterbury  
Kent  
CT1 1ZZ

For all other post (wording needs to be written exactly as below):

Freepost  
DWP UNIVERSAL CREDIT FULL SERVICE

When mail is not addressed correctly, there is a risk the post will be sent to the wrong place, which could result in delays to claims being processed and paid.

### **What is Universal Credit Guidance**

Universal Credit Guidance is developed according to user need and design priority. Guidance is designed to support staff by providing an overview of topics. It is not instructional or process led.

Guidance development is subject to ongoing 'test and learn' principles as topics are added.