Other benefits

Contents

Introduction

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

- Child Tax Credit
- Housing Benefit, only for claimants below qualifying age for Pension Credit
- income-based Jobseekers Allowance
- income-related Employment and Support Allowance
- Income Support
- Working Tax Credit

However, other benefits and payments will continue to exist.

If other benefits are received, this may impact on the Universal Credit award. Some benefits are not classed as income and are ignored but others are taken fully into account in the Universal Credit assessment.

Overlapping benefits

When Universal Credit is claimed, any of the existing Legacy benefits listed above, or Housing Benefit, must be stopped.

However eligible claimants legacy benefits continue for a limited period, this is called run-on, see Legacy benefit run-on payment.

For claimants in Supported Accommodation or temporary accommodation, Housing Benefit will remain in place.
Some benefits are automatically checked and stopped, but others go through a manual process.

Legacy benefit run-on payment

When Universal Credit starts, an eligible claimant's income-related legacy benefits may continue to be paid for up to 14 days before closure. This is called a run-on.

A claimant is entitled to less than the full 14 days run-on if their entitlement to Income Support (IS), income based Jobseeker's Allowance (JSA) or income related Employment and Support Allowance (ESA) would have ended before the end of the 14-day run-on period.

Claimants who no longer met the basic conditions of entitlement to IS, income based JSA or income related ESA when they made their Universal Credit claim are not entitled to the run-on.

Claimants who received both elements of JSA or ESA will be allowed an additional payment of the income related elements of either benefit for up to 14 days. These claimants will not have to pay back the run-on payment received for their income based or income related component.

Claimants contribution-based JSA or ESA will continue to be paid when they move to Universal Credit, so no run-on is appropriate. See New Style Jobseeker's Allowance Only claims and New Style Employment and Support Allowance Only claims.

At the end of the first assessment period, Universal Credit will deduct the contributory payment for the whole of the assessment period.

Recovery of Legacy run-on payments

Claimants who are entitled to the run-on receive payment for up to 14 days. This is a onetime payment which is not paid back.

Any run-on payment~~s~~ made past the period of entitlement to them, must be treated as an overlapping payment and recovered from the claimant's Universal Credit payment.

If a run-on payment over 14 days or past the entitlement period occurs between Universal Credit and any Legacy benefits, (except Working Tax Credit and Child Tax Credit) or Housing Benefit, the Universal Credit payment must be reassessed and calculated to take account of the overlap. This is to avoid duplicate payments. The Universal Credit claim must be updated and any overpayments recovered. Refer to Overpayments.

For migration cases, transitional provisions enable the recovery of any overlaps that occur by taking the legacy benefits into account as unearned income for up to three months. Eligible claimants moved to Universal Credit, receive a run-on of income-based Job Seekers Allowance, income-related Employment Support Allowance or Income Support for up to 14 days. This is a non-recoverable onetime payment. If claimants receive any additional overlapping payments, they are recoverable.

Other benefits

Universal Credit must not be paid to claimants with enough income available from other sources to support themselves. Exceptions are made where the benefit payments are made for additional costs the claimant has, for example - certain disability benefits.

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

Whilst Universal Credit conditionality supersedes that required for New Style Employment and Support Allowance and Jobseeker’s Allowance, conditions of entitlement to those benefits and obligations must still be satisfied for example: a claimant commitment must be accepted and the claimant must report any changes.

If for any reason Universal Credit entitlement ends, the conditionality requirements of the other benefits will need to be applied.

Other benefits taken fully into account

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

- Bereavement Allowance, (Bereavement Support Payment is treated differently, see Other benefit and pensions which are ignored)
- Carer’s Allowance, but not any Scottish Government Carer’s Allowance Supplement are paid twice yearly to recipients of Carer’s Allowance in Scotland which is disregarded
- Incapacity Benefit
- Industrial Injuries Disablement Benefit, but not any Constant Attendance Allowance or Exceptional Severe Disablement Allowance which is disregarded
- Maternity Allowance
- New Style Employment and Support Allowance
- New Style Jobseeker’s Allowance
- Severe Disablement Allowance
- State Pension
- Widowed Mother’s Allowance
- Widowed Parent’s Allowance
- Widow’s Pension

This means for each £1 the claimant is entitled to 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 benefit rates can be found at GOV.UK.

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 uprated.

Benefit Cap

The Benefit Cap applies to the combined entitlement to Universal Credit and other benefits subject to the Benefit Cap.

Overpayments

Overpayments due to overlapping benefits are currently being recovered from the claimant, see Recovery of overlapping payments of more than fourteen days and Overpayments.

Other benefits and pensions which are ignored

Benefits and pensions which are to be ignored are:

- Attendance Allowance, Constant Attendance Allowance, including Industrial Injuries and War Disablement Pension strands of Constant Attendance Allowance
- Access to Work payments
- Bereavement Support Payment
- Child Benefit
- Child Disability Payment (in Scotland)
- Christmas Bonus
- Disability Living Allowance
- Discretionary Housing Payments (local authority)
- Funeral Support Payment (Scottish devolution)
- Fostering Allowance
- Guardian's Allowance
- Independent Living Payments
- local Council Tax Reduction
- Modern Slavery Victim Care Contract (MSVCC)
- Personal Independence Payment
- Scottish Government Carer's Allowance Supplement (CAS) paid twice yearly to recipients of Carer's Allowance in Scotland
- Transition to Universal Credit housing payment
- War Pensions, including War Disablement Pension and War Widows or Widowers Pensions
- Young Carer Grant

Pension Credit

Universal Credit offers a signposting service for Pension Credit (PC). Claimants can find further information about PC on GOV.UK.

Joint claim

The Upper Age Limit does not apply if the person over the qualifying age for Pension Credit (PC) 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 PC qualifying age is exempt from work conditionality and will be placed in the no work related requirements regime.

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.

The person over the PC qualifying age is exempt from work conditionality and will be placed in the No Work Related Requirements regime.

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

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

Single claimants or younger members of a mixed age couple reaching State Pension age

Universal Credit should be paid to all claimants for the full assessment period (AP) in which they reach State Pension age.

This applies to all claimants, not just those who have made an advance claim to Pension Credit.

The Universal Credit award is closed at the end of the assessment period the claimant reaches State Pension age.

Any overlap with Universal Credit is ignored in the calculation of Pension Credit and Housing Benefit. Any Pension Credit or Housing Benefit received during the final assessment period must not be taken into account in the Universal Credit award calculation.

Additional support

When Child Tax Credit is abolished, claimants over the 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 including a 2 child limit.

Housing Benefit for pensioners will remain until at least October 2023, but we are looking at how support for rent for pensioners will be provided in the longer term.

Young Carer Grant

Young Carer Grant (Scottish devolution) is an annual Scottish Government payment made to qualifying young people. There is no DWP equivalent.

It is designed to provide additional financial help for young people aged 16 to 18 who have significant caring responsibilities. This is to help improve their health and educational outcomes.

The claimant must make a claim for the Young Carers Grant. It is paid once a year as a one off payment of £300 and the claimant must reapply at the end of the year if they wish to claim a further payment.

To qualify for a Young Carer Grant:

- the applicant cannot be in receipt of Carers Allowance
- the person they are caring for must be in receipt of a qualifying benefit

It is disregarded for both income and capital purposes.

The Scottish Government make the decision regarding entitlement to Young Carer Grant and not Universal Credit staff. However, payments are made through the DWP Central Payment System and DWP payment service teams manage recalled and returned payments.

Universal Credit staff may receive enquiries from Social Security Scotland staff wanting to clarify or confirm claimant and cared for circumstances.

Staff may also need to redirect customers contacting Universal Credit about Young Carer Grant.

No action needs to be taken to disregard the payment of Young Carer Grant and there is no requirement to record a decision to disregard it.
If a young person is receiving Universal Credit and they report receipt of a Young Carer Grant, staff should thank the claimant for reporting it and confirm it will have no effect on their benefit.