Other benefits: Guidance

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 Jobseeker's 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 not taken into account, 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, an eligible claimant’s 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 must go through a manual process.

Legacy benefit run-on payment

When Universal Credit starts, an eligible claimant’s income-related Legacy benefit 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, 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 Income Support, 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 the income-based or income-related component.

A claimant’s 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 one time payment which is not paid back.

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

If a run-on payment of over 14 days or past the entitlement period occurs between Universal Credit and any Legacy benefits 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 allow for the recovery of any overlapping by taking the Legacy benefits into account as unearned income for up to 3 months. Eligible claimants moving to Universal Credit receive a run-on of income-based JSA, income-related ESA or Income Support for up to 14 days. This is a non-recoverable one-time payment. If claimants receive any additional overlapping payments, they are recoverable.

Other benefits

Universal Credit must not be paid to claimants who have enough income available from other sources to support themselves. Exceptions are made where 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 ESA and JSA, 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 of circumstances.

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

Other benefits that impact Universal Credit

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

- Bereavement Allowance, please note, this is not the new Bereavement Support Payment which is not taken into account in Universal Credit
- Carer’s Allowance or Carer Support Payment (Scotland), but not any Scottish Government Carer’s Allowance Supplement, paid twice yearly to recipients of Carer’s Allowance or Carer Support Payment in Scotland
- Incapacity Benefit, this has been replaced with Employment and Support Allowance (ESA) but some claimants may have retained existing entitlement

- Industrial Injuries Disablement Benefit, but not any amount awarded for Constant Attendance Allowance or Exceptionally Severe Disablement Allowance
- Maternity Allowance
- New Style Employment and Support Allowance (contribution-based)
- New Style Jobseeker's Allowance (contribution-based)
- Reduced Earnings Allowance or Retirement Allowance which may be paid with Industrial Injuries Benefit
- Severe Disablement Allowance
- Retirement Pension
- State Pension (which replaced Retirement Pension for people reaching pensionable age on or after 6 April 2016)
- Widowed Mother's Allowance
- Widowed Parent's Allowance
- Widow's Pension
- foreign benefits directly comparable to those listed above

Claimants in receipt of Universal Credit are awarded a Class 3 credit towards their National Insurance contribution record. This helps them to build entitlement to retirement benefits.

Claimants who are awarded New Style ESA or New Style JSA receive a Class 1 credit which can build entitlement to Working Age benefit as well as Retirement Pension.

Discouraging claimants from making a claim to New Style ESA or New Style JSA when they are entitled may impact on their ability to claim contribution-based benefit in future.

Claimants who receive Carer's Allowance or Carer Support Payment (Scotland) also qualify for a Class 1 credit towards their National Insurance contribution record. Persons who are eligible should be encouraged to apply.

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. See the Benefit Cap guidance and the Move to Universal Credit (managed migration): 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 not taken into account

Benefits and pensions which are not taken into account are:

- Armed Forces Compensation Scheme or Service Attributable Pensions and Service-attributable, non-taxable Service Invalidity Pensions
- Armed Forces Independence Payment
- Attendance Allowance or Pension Age Disability Payment (PADP) in Scotland, 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 (Scotland)
- Christmas Bonus
- Disability Living Allowance
- Discretionary Housing Payments (local authority)
- Funeral Support Payment (Scotland)
- Fostering Allowance
- Guardian’s Allowance
- Independent Living Payments
- local Council Tax Reduction
- Modern Slavery Victim Care Contract (MSVCC)
- Personal Independence Payment (PIP)
- Adult Disability Payment (ADP)
- Scottish Adult Disability Living Allowance (SADLA) in Scotland
- 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. Claimants can find further information about Pension Credit on GOV.UK.

State Pension age claimants

Some Move to Universal Credit claimants are exempt from the Upper Age Limit and eligible to claim Universal Credit. See: State Pension Age claimants.

Joint claim

The Upper Age Limit does not apply if the joint claim contains a person over the qualifying age for Pension Credit 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 Pension Credit 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 can claim Universal Credit together as a joint claim in the normal way.

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

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

The Pension Credit qualifying age is linked to women's State Pension age, so both men and women can qualify for Pension Credit 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 is paid to all claimants for the full assessment period 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 in which the claimant reaches State Pension age.

In a mixed age couple, when the working age claimant reached State Pension age, the claim will be closed. See State Pension age claimants: Transitional Protection ends.

Any overlap with Universal Credit is disregarded 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 the 2 child limit.

For information Pension Age Housing Benefit and support with housing costs for pension age claimants see Pension Age Housing Benefit.

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 Carer 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 Carer’s Allowance or Carer Support Payment (Scotland)
- 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 the Young Carer Grant.

No action is 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.