

# What is Universal Credit?

Universal Credit is a new benefit that has started to replace six existing benefits with a simpler, single monthly payment if you're out of work or on a low income.

Universal Credit will help you to be better off in work, start a new job or work more hours. It is for people of working age. The government is combining separate benefits into one single payment, which will eventually replace most other benefits including:

- Income support
- Housing benefit
- Income-based Job Seeker's Allowance
- Income-related Employment Support Allowance
- Working tax credits
- Child tax credits.

## What does it mean to me?

- Universal Credit will normally be paid in one single payment to one nominated person in your household
- It will be a monthly payment in arrears, and will be paid on the same date each month
- It will include your housing cost - even if you've had Housing Benefit paid directly to us in the past, your Universal Credit housing cost will be paid direct to you.

- Personal benefit payments, for example to non-dependants, will still be paid directly to them.
- New applicants will have no benefit paid for the first seven days, this includes money for their housing costs.

## When will this happen?

The roll-out of universal credit has already started for single people only. Your eligibility to claim Universal Credit depends on where you live and your personal circumstances.

If you already claim a benefit, you'll continue to do so as normal and you will be told when Universal Credit will affect you. The Department for Works and Pensions (DWP) will write to you so if you get a letter from them, please don't ignore it – contact us for help if you don't understand it.

## Making work pay

There are no limits to the number of hours you can work a week. Your Universal Credit payment will reduce gradually as you earn more, so you won't lose all your benefits at once if you're on a low income. How much you'll receive depends on your personal circumstances.

## How you'll be paid

Universal Credit is paid differently to current benefits. It will be paid once a month into your bank, building society, credit union or Post Office account. Any help you get with your rent will be included with your Universal Credit payment and you'll then pay your landlord yourself. Your payment may be reduced if the Universal Credit benefit cap affects you. Please note: some types of housing are exempt from these changes so if you live in, for example, supported or sheltered housing, please speak to your landlord for advice.

## The claimant commitment

Once you've submitted your claim for Universal Credit (UC), you'll be asked to go to an interview with a Jobcentre Plus Adviser and accept a claimant commitment. This sets out what you have to do to prepare for work or find work. If you're already working, it may set out what you have to do to find better paid work or work more hours.

## Some people will be better off under Universal Credit

Tenants who are on Income-based Job Seekers Allowance, who have grown up children and who are working could be better off under Universal Credit due to the non-dependent deductions under housing benefits. With Universal Credit there is no deduction for children under the age of 21. For those over 21 there is a standard deduction of £69.37 per month for each adult living in the property. When calculated weekly this equates to £16.00 no matter how much they are earning.

## What about mixed-age couples?

Where one member of a couple is over Pension Credit age and the other one is under, you will not be able to claim Pension Credit anymore. You will have to claim Universal Credit. If one of you is already receiving Pension Credit when Universal Credit comes in where you live, you will not have to move to Universal Credit so it is important to check your entitlement to Pension Credit and make a claim as soon as possible.

Universal Credit does not replace Council Tax Support.

If you are paid Universal Credit and had previously received Council Tax Support benefit, you need to:

- Inform the Local Authority of your change and provide the LA with any information requested
- Make a new claim for Council Tax Support - this will be via a Housing Benefit / Council Tax Support claim form held by the local authority.

## How much Council Tax Support will someone on Universal Credit get?

This depends, both on your particular income and circumstances - and also on the way your Local Authority has decided to assess Council Tax Support for people on Universal Credit. If in doubt contact your local Council Tax department for advice.

To make sure you're prepared for the change you should:

- Complete the Universal Credit Personal Planner which can be found at **secureonline.dwp.gov.uk/universalcredit-preparation/**
- Get a bank, building society, Post Office account or Credit Union Account
- Set up a direct debit to pay your rent
- Get some advice on how to budget on a monthly basis.

## We can help you

Call us for free, confidential advice:

- Speak to your housing officer or money advisor
- Call **0300 111 7000**
- Email **customerfirst@accordgroup.org.uk**
- Visit our website **accordgroup.org.uk**

## Help and advice

You can get advice online by answering some questions about your personal circumstances, and/or get help with budgeting support for Universal Credit from the Money Advice Service website at **moneyadviceservice.org.uk**

You can also register with Universal Jobmatch to search for a new job at **gov.uk/jobsearch**

For more about the Claimant Commitment see the Citizen's Advice Bureau website at **adviceguide.org.uk**



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If you require further information, please visit our website or call our Customer First team on **0300 111 7000** or email **customerfirst@accordgroup.org.uk**

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