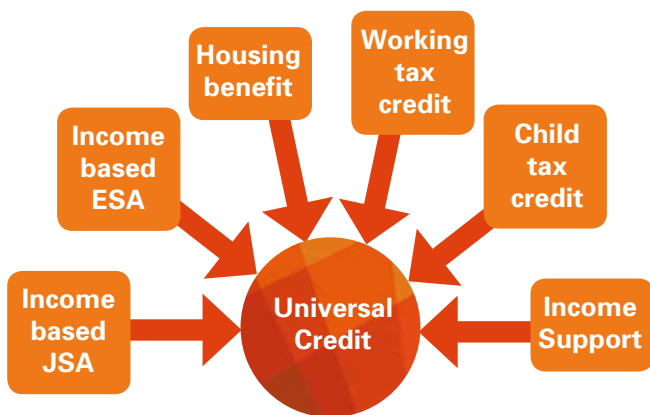


# UNIVERSAL CREDIT: EVERYTHING YOU NEED TO KNOW

This guide is designed to equip you with the knowledge and resources for your church or organisation to support individuals you know or engage with as they move onto Universal Credit.

## What is Universal Credit?

- **What?** Universal Credit is a means-tested benefit that replaces six in-work and out-of-work benefits now known as 'legacy benefits'.
- **Who?** It is paid once a month in arrears mainly to those of working age (18+) who are either out of work or on a low income. However, some 16 year olds can claim if they are care leavers.
- **Why?** The original aim of Universal Credit was to simplify a complicated benefits system and to ensure that work always pays.
- **When?** Universal Credit was piloted in 2013, but its roll-out has been delayed. Since December 2018, all jobcentres are now on 'full service', meaning that Universal Credit is the default for new claimants and those who experience a change in circumstances (known as 'natural' migration). A change of circumstance can include starting or stopping a new job, having a child or moving house. A full list can be found [here](#).



'Managed Migration', the process of moving people currently on 'legacy benefits' onto Universal Credit, will start in 2020.

Universal Credit is the most ambitious change in the welfare system in a generation. It will affect people in your community as well as many of the organisations that you work with.

## Challenges

The system administering Universal Credit has encountered a number of problems. The default five week wait that claimants experience before their first payment is difficult for some people to manage and on top of that, some claimants have experienced even greater delays, which has led to significant hardship for individuals and families. The Trussell Trust recently [released figures](#) showing there had been a 52% rise in food bank use in areas where Universal Credit had been rolled out fully.

While some people will be better off under Universal Credit, others are likely to be worse off than under the previous system. Those negatively affected are most likely to be single parents, disabled people, working households with 3+ children, and the self-employed. Helping people navigate the new system and their entitlements within it can make a real difference.

## Five things you need to know

### 1 Universal Credit applications must be completed online

Universal Credit is 'digital by default' so it is only possible to apply online. This is a significant change from the previous system and can be a challenge for individuals with limited digital skills or limited internet access. Claimants must also check their online Universal Credit journal regularly in order to keep in touch with their work coach, report any changes in circumstances, and track their payments.



The online application is in English only, with no translation options. This may be of concern if you are working with recent migrants or people for whom English is a second language.

### 2 Universal Credit is paid monthly, in arrears

Universal Credit is designed to be a once monthly payment, a change from the previous benefit system which paid claimants more frequently. Claimants are now expected to make this money last the whole month, which requires a different approach to budgeting and spending. Significantly, when someone first applies for Universal Credit, other benefits are stopped and there is a five week minimum wait for their first payment. Keep reading on for support available to people struggling in this initial period.



### 3 Universal Credit must be paid into to bank or credit union account that is NOT overdrawn.

This is to protect against claimants' Universal Credit being 'swallowed' by an overdraft. Some claimants might need a new account for this. Claimants unable to access or manage a bank or credit union account can find out more [here](#).



### 4 Universal Credit is paid to the tenant NOT the landlord

Unlike the previous Housing Benefit system, in which payments were made directly to landlords, housing support money will now be paid to the person receiving Universal Credit: the tenant. For some, this will be the first time they have had to budget to pay rent directly, and if tenants do not prioritise paying their rent with this money, they risk facing eviction and becoming ineligible for homeless support from the council due to their rent arrears.



People moving from Housing Benefit onto Universal Credit will now, however, receive a transitional payment of two weeks housing benefit "run-on" when they claim Universal Credit, without it affecting Universal Credit entitlement. This means that claimants will receive both the housing benefit and the Universal Credit housing element for those two weeks.

In January 2019, the government pledged to build a portal to help landlords request to receive rent directly. This is yet to be introduced - check [here](#) for updates.

## 5 Universal Credit is paid as a joint payment to couples

Couples living together who are both eligible for Universal Credit will receive a joint payment to one person which can be paid into a joint or single account in either person's name. This might require claimants to set up a joint bank account. Many domestic violence charities are concerned about this, as it is another way that someone can be controlled. Couples will also need to apply for Universal Credit together, but have separate jobcentre interviews.



**In January 2019 the Secretary of State for Work and Pensions, Amber Rudd, pledged that this payment will be paid by default to the main carer in a couple (usually but not always the woman). This will come into effect later in 2019 - check [here](#) for updates.**

## Information about **the process:**

If you are supporting someone to move onto Universal Credit, it is important that they follow these steps:

1. The claimant must gather everything they need to apply (see Application Checklist).
2. The claimant must set up their online account via [www.gov.uk](http://www.gov.uk). They must have an email address in order to do this.
3. The claimant must use their online account to start their claim: this is separate from setting up the account. Once the claimant has successfully logged in, they will see a 'to do list' of questions which they will need to complete, which will include verifying their identity. If the claimant has difficulties doing this online they can complete this step at the jobcentre.
4. The claimant must arrange an interview at the jobcentre within 7 days of applying online in order to complete their application. They will be given a phone number to arrange this.
5. The interview will be with a member of staff who will become the claimant's work coach. During the interview they will agree and sign a 'claimant commitment' agreeing how many hours a week they will look for work, and other details.
6. If all goes smoothly, four weeks after the start of the process, the claimant will receive a notification of their first payment, and five weeks after this, they will receive their first payment. For more information about this process click [here](#).

### Application Check List

- National Insurance number
- Email address
- Phone number
- Home address
- Landlord's address
- Rent statement
- Bank account details
- Details of any savings
- Details of salary or any other income

## Information for families:

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Until recently, families with 3+ children couldn't be moved onto Universal Credit, but now they can. Under Universal Credit, families with 3+ children will not receive financial support for third or subsequent children born after 6 April 2017, apart from a few specific circumstances such as adoption or multiple births, see a full list of exceptions [here](#). All children born before this date, however, will be covered.

Families claiming Universal Credit may be eligible to claim back up to 85% of their childcare costs but this can only be done in arrears, which has been causing problems for some families. For further information about childcare support available under Universal Credit click [here](#).

## Ways you could help:

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Universal Credit is likely to mean a slow, steady stream of need over the next five years rather than a gigantic "one off" tidal wave. There are some simple ways to support people dealing with this change.

1. Put on a "UC Savvy" information session locally for those in your local community. To find out more, visit the Just Finance Foundation website [here](#).
2. Be an advocate for someone applying to Universal Credit for the first time, by supporting them as they fill out their application form and/ or accompanying them to their jobcentre interview (though be aware that if you are going to do that, you will need to inform the jobcentre in advance).
3. Map your local advice and support services so that you can signpost people to help.

## What support is available to people?

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There are a number of ways that claimants can access additional support that are useful to be aware of:

- **Advanced Payments:** All claimants can apply for these if they are in financial hardship when they wait for their first Universal Credit payment. This can be anything up to 100% of their first month's money and is a no-interest loan which must be paid back over 6, 9 or 12 months.
- **Alternative Payment Arrangements** are available for people identified by the DWP as needing 'additional support'. This must be requested from a work coach and can mean being paid fortnightly rather than monthly, splitting payments between partners, or paying rent directly to landlords. See full guidelines [here](#).

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#### **Natural Migration:**

occurs when a claimant has a change of circumstances and ends up having to claim Universal Credit, rather than another legacy benefit, to access means-tested support.

#### **Managed Migration:**

the process of moving people currently on 'legacy benefits' (see below) over to the new benefit. Claimants will have to re-apply for Universal Credit without a change of circumstances, and will be contacted by the Department for Work and Pensions (DWP) to initiate this. This will affect an estimated 2.8 million people.

#### **Legacy Benefits:**

the previous system of benefits.

#### **Sanction:**

if claimants fail to do one or more of the activities in their 'claimant commitment', they may be sanctioned. This is when a claimant's payment is stopped for a certain period of time (from about a week to a maximum of three years). See the following section for information on how to challenge a sanction.

#### **Work Coach:**

is a front-line member of DWP staff based in a jobcentre. Their main role is to support Universal Credit claimants into finding work.

## Useful Resources:

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Below is a list of useful websites and resources for further information and advice about Universal Credit.

### **The Basics:**

**UC Savvy:** *one-off workshops designed by Just Finance Foundation for those who will be transitioned onto Universal Credit to get them ready:* <https://www.justfinancefoundation.org.uk/resources/uc-savvy>

**The government's 'Understanding Universal Credit' website:**

<https://www.understandinguniversalcredit.gov.uk/>

**Turn 2 Us and Entitled To:** [www.turn2us.org.uk](http://www.turn2us.org.uk) and [www.entitledto.com](http://www.entitledto.com) - Both these sites have tools to check what benefits people are entitled to.

**Citizens Advice Online Guide to Universal Credit:**

<https://www.citizensadvice.org.uk/benefits/universal-credit/>

**Universal Credit helpline:** 0800 328 5644. Calls are free and lines are open Mon-Fri 8am-6pm. For any further information on Universal Credit check [www.gov.uk](http://www.gov.uk) regularly.

### **Supporting people to prepare for interviews:**

**Citizens Advice - 'Preparing for a Claimant Commitment Interview':**

<https://www.citizensadvice.org.uk/benefits/universal-credit/claiming/prepare-for-your-interview/>

*Includes a downloadable checklist to help people prepare for the interview and think through what they may want to discuss.*

**Universal Credit In Action - YouTube channel:**

<https://www.youtube.com/channel/UC7Km4IXfvJB1n8SQUmkJD0Q>

*You can watch videos of various parts of Universal Credit application procedure etc.*

### **Benefits Sanctions:**

*For more information on arguments for and how to support someone challenging a benefits sanction visit:*

<https://www.citizensadvice.org.uk/benefits/universal-credit/sanctions/challenging-a-sanction/>

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