

### The Facts



#### What is Universal Credit?

Universal Credit (UC) is a means-tested non-taxable benefit available to individuals and couples of working age, who are either on low incomes or not in work. The benefit is intended to cover basic living costs, however there are also additional amounts which could be available if you are unable to work due to sickness or disability, for carers, children and childcare, and help towards rent and housing costs.

#### Who is entitled to Universal Credit?

You claim UC as a single person or jointly as a couple if you are living with your partner. Your partner's income will be considered even if they are not eligible for UC. You can also claim for dependent children you are responsible for.

The basic requirements to claim UC are as follows, you must:

- Have a low income or be out of work
- Be 18 or over (there are some exceptions if you're 16 to 17)
- Be under state pension age (or your partner is)

## How much am I entitled to?

The UC payment is made up of different elements, you may be entitled to more than one of these based on your circumstances.

The monthly standard allowance is:

Single and under 25	£342.72
Single and 25 or over	£409.89
In a couple and you're both under 25	£488.59 (for both of you)
In a couple and either of you are 25 or over	£594.04 (for both of you)

The monthly amount paid for children under 16 (or under 20 and in full time education) who you are responsible for (limited to two children if born after 6 April 2017) is:

First child (if born before 6 April 2017)	£281.25
First child (if born after 6 April 2017) and subsequent children	£235.83

There are various other elements that you could be entitled to, including childcare costs, carers allowance or housing costs.

## Property matters

If you are a tenant, you may also be entitled to help towards your rent and other bills. If you own your property, you will not be entitled to any help towards your mortgage as a new UC claimant. You may be entitled to a mortgage holiday through your lender or a 'mortgage interest loan'. This is a special type of loan to cover the interest on loans taken out for home purchases, repairs and improvements, and it must be repaid when the property is sold or transferred. When you apply for UC more information will be available to you on how to apply for this loan.

To check if you are eligible for UC, and to find out how much you could receive, follow this link to use one of the GOV.UK website benefit calculators <https://www.gov.uk/benefits-calculators>

## What if I'm still in work?

In some cases, you may be eligible for a work allowance, this is the amount you can earn before your UC payment is affected. You will be eligible for a work allowance if you or your partner are responsible for a child or have limited capability for work.

The monthly working allowances are set as

£292	If your UC includes housing support
£512	If you do not receive housing support

Once you earn more than your work allowance your UC payments will be tapered away at 63p for every £1 earned.

## When will I receive my first payment?

It can take up to 5 weeks to receive your first payment of UC after a successful claim, however if this causes hardship you may be able to get a UC advance. You can usually borrow up to the amount of your first estimated UC monthly payment. You will need to pay back the advance from your future UC payments, usually over a 12-month period.

You can apply for the advance using your UC online account. You will need to let them know why you need the advance, provide your bank details for it to be paid into, show that you can pay it back and agree to pay it back.

## How to claim

UC is designed to be claimed online at the following link: <https://www.gov.uk/universal-credit/how-to-claim>. You must provide all necessary information and evidence to show you meet the criteria for UC.

Before making a claim, make sure you have the following details:

- National Insurance Number
- Bank account details
- A unique email address (different to your partner's if they are also applying)
- Information about your house (e.g. how much rent you pay)
- Details of income (e.g. payslips)
- Details of savings and any investments (e.g. shares or rental property)
- How much you pay for childcare if applying for help with these costs
- You will also need to verify your identity with your driving licence, passport or debit or credit card.

Once your claim has been processed you will receive more information on the next steps, this may include a telephone interview with a work coach. Your first payment is usually paid five weeks after claiming.

## Will receiving UC affect my credit rating?

UC is considered a source of income, so will not have any impact on your credit rating in the future. However future lender may ask if you have received benefits and may take this into consideration when deciding to lend to you.