



Universal Credit

► For more information on the benefits most commonly claimed by people with arthritis, see Arthritis Care's factsheet, 'Benefits you can claim'.

What is Universal Credit?

Universal Credit (UC) is a new means-tested benefit for people of working-age, designed to support you if you're working and on a low income or if you're out of work.

UC is intended to be a more straightforward structure than the current system, where benefits have been determined to a large extent on whether a person is in or out of work. UC is one credit for people whatever their employment status. Because of this, it should ease the transition into and out of work, as people won't need to transfer to a different benefit as their situation changes.

The aim of UC is to make people better off in work than on benefits.

How does Universal Credit work?

- The amount of UC you receive is adjusted according to earnings; the more you earn, the less benefit is paid to you proportionally.
- The hours you can work in a week is unlimited.
- It is a means-tested benefit for those of working age.
- Claims need to be made online.
- UC is paid monthly in arrears, so you would receive your first UC payment one month after your initial assessment.

Who can claim Universal Credit?

Please note that, as UC is currently being introduced in stages, it is possible that other eligibility conditions may apply, but this information is correct at the time of writing.

► See Arthritis Care's factsheets on 'Personal Independence Payment' and 'Disability Living Allowance' for more information.

To claim UC you must:

- be 18 or over (16 or 17 in some limited circumstances)
- be under State Pension age
- be resident in Great Britain (habitually resident and have the right to reside in the UK, Isle of Man, etc.)
- not be in full-time education (although if you are in receipt of DLA or PIP and have been assessed as having limited capability for work, you can qualify as a disabled student)
- not having savings or capital of over £16,000
- have accepted a claimant commitment

If you have a partner, you will make a joint claim as a couple. If your partner meets one of the conditions above, seek advice. In some circumstances, you may still be able to claim as a couple, and in others you may be able to make a claim as a single person, although your partner's income and savings will still be taken into account.

Work-related requirements

Everyone who is actually able to work, and who receives UC, will be placed in one of four conditionality groups, based on their circumstances and capability. These groups are:

- No work-related requirements (mostly for those above the earnings threshold: i.e. on a 35-hour week on the minimum wage, people with a limited capability for work-related activity, those responsible for a child under the age of one, and carers)

Benefits replaced by UC

UC replaces six existing benefits:

- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment Support Allowance
- Housing Benefit
- Working Tax Credit
- Child Tax Credit

Benefits unaffected by UC

The following benefits remain unaffected by the introduction of UC:

- Attendance Allowance
- Carer's Allowance
- Child Benefit
- Disability Living Allowance
- Industrial Injuries Benefits
- Local Council Tax support schemes
- Local Welfare Provision
- Pension Credit
- Personal Independence Payment
- State Retirement Pension
- Contributory Benefits
 - Contributory Jobseeker's Allowance
 - Contributory Employment Support Allowance
 - bereavement benefits
 - Maternity Allowance
- Statutory Benefits
 - Statutory Sick Pay
 - Statutory Maternity Pay
 - Statutory Paternity Pay
 - Statutory Adoption Pay

- Work-focused interview requirement only (e.g. for people with responsibilities for a child under the age of one)
- Work preparation requirement (if you only have a limited capacity for work or are responsible for a child under the age of two)
- All work-related requirements (in this group you must be regularly available to seek and undertake work, usually full-time).

I'm over State Pension age; can I claim UC?

If one member of a couple is over Pension Credit age, and the other one is under, you can claim UC. However, it is likely to be more advantageous for you to claim Pension Credit. At some point in the future, it will no longer be possible for couples to claim Pension Credit if one of them is under Pension Credit age, unless they already have a Pension Credit claim in payment when the law changes.

As UC replaces Housing Benefit and Child Tax Credit but is only for people of working age, there will be some changes to Pension Credit to include support for rent, and an additional amount for pensioners with dependent children.

When can I claim Universal Credit?

There are currently around 12.5 million claims in place for the benefits that will be replaced by UC. Because of the number of people affected, the government has decided to phase in its introduction. When you can claim UC will depend on where you live and whether you are making a new claim, or you are being transferred from a benefit that is being replaced.

► For details of which Jobcentre Plus areas are affected and when, see gov.uk/government/publications/universal-credit-transition-to-full-service or use the postcode checker at universalcreditinfo.net.

While UC is now available in all Jobcentre Plus offices in Great Britain, in many areas it is only available to jobseekers in limited circumstances (gateway areas). The 'full service' of UC (where anyone may claim) is being rolled out gradually and it is intended to cover the whole of Great Britain by September 2018.

In Northern Ireland, UC will start being introduced in September 2017 and it is intended to be fully rolled out by September 2018.

When people start to be moved over to UC from benefits that are being replaced, this will be done in one of two ways:

- **Natural Migration** - If you experience a significant change of circumstance that would have caused you to claim one of the benefits that UC replaces, you will claim UC instead.
- **Managed Migration** - If your circumstances don't change, the Department for Work and Pensions (DWP) will begin to move people over to UC on a systematic basis – this is due to happen between 2019 and 2022.

How do I claim?

The only way to apply for UC is online at gov.uk/apply-universal-credit (which includes a link to the form in Welsh). After the application is processed, a face-to-face interview will then be required.

It is important to have all relevant details to hand, so that you can complete the form in one go. Unless you are in a 'full service' area, it is not possible to save the document. Note that you will be timed out if your computer is inactive for over 20 minutes and if this happens you will be required to start again from the beginning. But once you are registered, you can then follow the progress and log any changes, using your personal online account.

Staff at your local Jobcentre Plus should be able to offer individual advice. If you don't have internet access, this can be provided by your local Jobcentre Plus, local council, and sometimes the local library. However, be aware that demand for public computers is high and appointments are often needed. Also, access in libraries requires library membership, which itself requires residency evidence. Such restricted access often means that job application targets cannot be met, and this jeopardises future payments.

To contact the UC Helpline:

For help and information about making a claim, contact the UC helpline on:

Tel: 03456 000723;

(in Welsh: 0800 012 1888);

Textphone: 03456 000743

Interview

Once you have completed your online application, you will need to attend an interview. In this, you must sign a 'Claimant Commitment', setting out what you have to do to continue to receive UC. Joint claimants must both agree a claimant commitment to receive UC. Sanctions will be imposed if there is a failure to meet any work-related requirement: e.g. attending an interview and submitting false or misleading claims.

Breaks in claim of under six months

If you come off UC, but you then re-qualify within six months, you can make a 'rapid reclaim' without having to complete a full claim. This means you will go back to your old assessment period and pay date. (If you are in a 'gateway area' and not yet 'full service', you may not even need to make a claim at all, if the reason you requalify for UC is because your wages have gone down.)

How Universal Credit is calculated

► To get an estimate of what you may be entitled to, try Turn2Us's Benefits Calculator at: benefits-calculator.turn2us.org.uk/AboutYou

The amount awarded will depend on the income and circumstances of all the household members, but it does not matter whether you are working or how many hours per week you are working for.

There will be a basic allowance with different rates for single people and couples, and lower rates for younger people. There will then be additional amounts available for those with:

- limited capability for work-related activity
- caring responsibilities
- housing costs
- children
- childcare costs.

If you don't have any earnings, other income or capital, you will receive your Basic Allowance plus any additions relevant to your circumstances. Basic Allowance varies from c. £250 currently for a single claimant under 25, to c. £500 for joint claimants over that age.

For the housing costs element, your rent money will be paid to you directly and you will then be responsible for paying your landlord. However, if there is a reason why you find it difficult to cope with budgeting for this you may be able to get it paid direct to your landlord. If you are receiving help with mortgage interest, then this is paid direct to your lender.

Amounts for children will include money to help with the extra costs involved in bringing up a disabled child. It is also possible to claim a percentage of registered childcare costs.

Starting work (or re-starting work)

If you are employed (as opposed to self-employed) you only need to inform the DWP that you have started work and who your employer is. They will collect information about your pay directly from HMRC using Real Time Information (RTI). When the DWP calculates your UC each month, it should know what earnings you have received.

Earnings are based on the net amount (after tax and National Insurance) and any contributions to a pension scheme. Earnings also include benefits paid by the employer, such as Statutory Sick Pay or Maternity Pay.

If you are self-employed, you are required to notify the DWP every month of your cash in/cash out figures.

► For more information, see the DWP guidance at: gov.uk/government/publications/universal-credit-and-self-employment-quick-guide/universal-credit-and-self-employment-quick-guide

What if my Universal Credit will be less than my current benefit income?

If you are part of the Managed Migration on to UC (see page 3), you will not be worse off when you move over to it. If the amount of UC you are entitled to is less than you are currently getting from the benefits that are being replaced by it, you will receive a 'transitional amount' to top up your UC of the same amount.

If, due to a change in your circumstances, you are part of the Natural Migration on to UC (see page 3), you will not receive a transitional amount and your UC may be lower than your current benefit income when you move over to it.

How will I be paid?

UC is a single payment made monthly in arrears. It will be paid into one single bank only or other account nominated by each household. If you do not have a bank account, you should consider opening one, or consulting a local advice service such as Citizens Advice, either online (see opposite), or at one of their centres. The DWP will have the ability to pay more frequently or to split payment in exceptional circumstances.

What to do if your claim is unsuccessful

If your claim is unsuccessful, you have the right to challenge the decision and there are a number of options available to you – from requesting a reconsideration to submitting a formal appeal.

► For more information, see Arthritis Care's factsheet, 'If you are unhappy with your benefit decision'.

Challenging a decision

If you think a decision made about your UC entitlement is wrong, you can ask the DWP to look at it again – this is called 'mandatory reconsideration'. You will receive a 'mandatory reconsideration notice' in response. The decision may be changed or you may receive an explanation of why it remains the same. If you still think the decision is wrong after receiving the mandatory reconsideration notice, you can make an appeal to the tribunal.

Appeal

You can make an appeal to the tribunal by contacting the Social Security and Child Support Tribunal (gov.uk/social-security-child-support-tribunal) and asking them to look at the decision again. Explain why you think it is wrong. You must have followed the mandatory reconsideration process before appealing and you will be asked for the mandatory reconsideration notice.

If you do want to challenge a decision, you can get help with this by contacting a benefits adviser.

Further help

For further advice and support, contact a local advice centre, such as Citizens Advice, Age UK (call 0800 678 1174), DIAL (call Scope on 0808 800 3333 for details) or local authority welfare rights service (call your local council for details).

Other sources of information

- Arthritis Care factsheets — arthritiscare.org.uk
- Citizens Advice — citizensadvice.org.uk
- GOV.UK (England, Wales and Scotland) — gov.uk
- Disability Rights UK factsheets — disabilityrightsuk.org/how-we-can-help
- nidirect (Northern Ireland) — nidirect.gov.uk
- Turn to us — turn2us.org.uk

Disclaimer: This factsheet is only a guide and does not cover every circumstance. We have done our best to make sure the factsheet is correct as per the date below. Some of the information may be oversimplified or may become inaccurate over time - for example, because of changes to the law. We recommend that you get independent advice before making financial decisions based on this factsheet.



ARTHRITIS CARE

How Arthritis Care can help you

Want to talk to someone about your arthritis?
Or read more about the condition?

Call our free, confidential Helpline on 0808 800 4050 for information and support. We're open weekdays from 09:30 to 17:00 – we'd really like to hear from you.

We have over 40 free booklets and factsheets on various aspects of arthritis, from diet and surgery, to managing pain and fatigue. These can be sent to you in the post – just ask our Helpline staff for details.

Go online

You can download all our booklets and factsheets as PDFs from arthritiscare.org.uk/information

We also have an Online Community, where you can chat to others with arthritis, and can be reached at arthritiscareforum.org.uk



Arthritis Care and Arthritis Research UK have joined together to help more people live well with arthritis. Read how at arthritisresearchuk.org/merger. All donations will now go to Arthritis Research UK and be used to help people with arthritis live full and active lives in communities across England and Wales, Scotland, and Northern Ireland.

Registered Charity Number 207711, SC041156.

Thank you

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Contact us

Our Helpline:

0808 800 4050

Our website:

arthritiscare.org.uk

Our offices:

England:

020 7380 6540

Northern Ireland:

028 9078 2940

Scotland:

0141 954 7776

Wales:

029 2044 4155

Social media:



@arthritis_care



facebook.com/arthritiscareuk



@arthritiscareuk

Arthritis Care, Floor 4, Linen Court, London N1 6AD Registered Charity Nos. 207711 and SC041156.

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