

**Benefits and UC update**

UNIVERSAL CREDIT  
AT A GLANCE

Jayne Knights  
Oct 2022

the association of charitable organisations

1

---

---

---

---

---

---

---

---

**Useful Resources**

- Gov site on UC: [www.understandinguniversalcredit.gov.uk](http://www.understandinguniversalcredit.gov.uk)
- Always check [www.turn2us.org.uk](http://www.turn2us.org.uk) for benefit calculations, corona updates, grant-giving charities, debt help, health costs, sure start payments, council tax reduction...
- [www.rightsnet.uk](http://www.rightsnet.uk): membership site which has webtools on PIP plus [www.advicelocal.uk](http://www.advicelocal.uk)
- More calculators: [www.entitledto.co.uk/policyinpractice.co.uk](http://www.entitledto.co.uk/policyinpractice.co.uk)
- Excellent leaflets and factsheets from AGE UK and Herts CC Money Advice Unit
- Citizens Advice Help to Claim UC /0800 144 8444

2

---

---

---

---

---

---

---

---

**Cost of Living Resources**

General guidance: <https://www.gov.uk/guidance/cost-of-living-payment>

This is a newish but useful Gov.uk site which pulls together all the different 'support' schemes: <https://helpforhouseholds.campaign.gov.uk/>

As usual, the wonderful Turn2us has specific information on energy and water bills support, as well as general income maximisation: <https://www.turn2us.org.uk/Benefit-guides/Energy-schemes/Extra-help-for-2022>  
<https://www.turn2us.org.uk/Your-Situation/Cost-of-Living>

Check out this new start-up, which pulls together access to helpful resources: <https://www.lightningreach.org/>

Turn2us  
to access benefits & grants

3

---

---

---

---

---

---

---

---

## General news.....



### BENEFIT RATES

- Benefit rates will not be increased until April 23
- Rates will reflect inflation figures – or will they???

### NEW SECRETARY OF STATE FOR DWP is Chloe Smith.....



4

---

---

---

---

---

---

---

---

## General news.....



### PIP

- Automatic extension period announced for existing claims awaiting review. Up to 12 months extension to be confirmed by letter from 31.10.22. Can be used for Blue Badge extensions too.....
- Awards – 77% of new awards are for 2 years or under.
- Failure rate for new claims is just under 50%
- Reviews of existing awards –one third are decreased or disallowed.

### TERMINAL ILLNESS

- now 6 months for PIP, DLA and AA, but expanded to 12 months for ESA and UC.....

5

---

---

---

---

---

---

---

---

## Universal Credit – what is it?

One single integrated 'means-tested' benefits for people who are 'working age' (???)  
Claimants can be working or not working



6

---

---

---

---


---

---

---

---

## Reminder of basic principles of UC



- Only working age people can claim, but everyone has to - yet!
- It replaces 6 'legacy' means-tested benefits: IS; JSA (ib); ESA (ir); Tax Credits (WTC and CTC); HB for most tenants
- Most people have to claim online but phone is possible
- UC is mostly paid every calendar month, according to the dates of their 'Assessment Period'
- Assessment Period is set by the date that the claimant presses 'submit' on their online claim, and at that point, all legacy benefits stop

---

---

---

---

---

---

---

---

7

## Reminder of basic principles of UC continued

- There is a 5 week wait for payment at start of claim – unless person claims an advance payment
- Most people's entitlement will be based on a standard allowance plus a series of elements for children, disability and caring responsibilities
- Tenants with a proven rental liability will get a housing element in their UC – depends on bedroom tax, local housing allowance, non-deps and service charges
- The housing element can be paid directly to the landlord in specific circumstances
- Urban myth that people who claim UC are worse off ...

---

---

---

---

---

---

---


---

8

## Moving to UC or not!

**Clients fall into one of four categories:**

1. **NEW** UC claimants with clear eligibility to UC and no route to legacy benefits
2. **NATURAL MIGRATION:** means mandatory switch to UC for claimants on legacy benefits who have a **relevant** change of circumstances
3. **VOLUNTARY MIGRATION** – anyone eligible for UC can switch if they want to but they should be careful!
4. **MANAGED MIGRATION:** Claimants on legacy benefits who have no changes of circumstances and choose to stay on legacy benefits until managed migration beckons (from May '22).



---

---

---

---

---

---


---

---

9

## Managed migration restart

1. Small cohorts to start with: Bolton; Medway; Truro; Falmouth; Harrow
2. 2.6 million still on legacy benefits so it will take a while.
3. DWP says 1.4 of them will be better off on UC....hmmmm
4. Take a look at the Policy Paper – good examples and clear text
5. Watch out for the Transitional Protection trap
6. TP protects the claimant from being worse off under UC BUT
7. It is very fragile and easily eroded by increases in UC



---

---

---

---

---

---

---

---

---

---

10

## ‘Relevant’ changes of circumstances which trigger natural migration to UC

- Always ask: would this change of circumstances have triggered a claim for a **new** legacy benefit?  
Examples include:
- Claimant was working and becomes unwell
- Claimant was unwell but is now fit for work
- Lone parent on Income Support – youngest child turns 5
- Couple on Tax Credits separate
- Claimant moves into / out of the area from a **different** LA area (unless they are moving into a hostel or specified accommodation)

---

---

---

---

---

---


---

---

---


---

11




## The basics of the UC calculation

Work out **maximum amount** of UC payable by adding up **standard allowances and elements**



Work out the **‘relevant income’** – made up of **unearned and earned income**



Where relevant income is **lower** than maximum UC, UC will be the difference between the two!

---

---

---

---

---

---

---

---

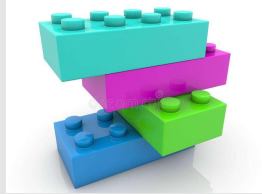
---

---

12

## Allowances and elements

- Standard allowance for adults
- **PLUS**
- Child elements
- Disabled child addition
- Childcare costs element
- Carer element
- Housing element (for 'ordinary' tenancies)
- THE TOTAL OF THESE IS 'MAXIMUM UC'



13

---

---

---

---

---

---

---

---

## How income and capital affect UC

### General principles:

- Unearned income which 'counts' is generally taken fully into account
- Capital between £6,000 and £16,000 generates 'tariff income' which reduces UC.
- DLA / PIP / Child Benefit / child maintenance are ignored as income, as is rental income from lodgers.
- Net pay is subject to an earnings disregard (called a work allowance) if claimant has a child or has limited capability for work / work-related activity
- Remaining earnings reduce UC by 55%
- See your Universal Credit Vital Info sheet for details.

14

---

---

---

---

---

---

---

---

## Safeguarding vulnerable people

- Watch out for rising sanction rates
- Ensure that claimant commitment fits circumstances and is realistic.
- Remember DWP has duties under Equality Act 2010, so don't be shy about requesting reasonable adjustments.
- Use the Advanced Customer Support Team in serious situations
- Ensure that vulnerabilities and complex need are properly recorded on the UC journal and acknowledged by DWP.

15

---

---

---

---

---

---

---

---