# Universal Credit

## Introduction

If you have sight loss, or provide care for someone who does, there are a number of welfare benefits you may be entitled to. Some of these benefits can help provide you with an income if you are not able to work, while others can help towards the extra costs that often make life more expensive if you have a disability.

We have produced various factsheets to help you learn more about the benefits that you are most likely to be entitled to if your life is affected by sight loss. This factsheet is about Universal Credit (UC).

Universal Credit (UC) is a means-tested benefit for people on a low income and of working age, whether you are in work or not.

It has replaced the following existing benefits, which are now known as “**legacy benefits**”:

* Income support
* Income-based Jobseeker’s Allowance (JSA)
* Income-related Employment and Support Allowance (ESA)
* Child tax credit
* Working tax credit
* Housing benefit

As a means-tested benefit, the amount of UC you will get depends on your income and savings. Contributions-based benefits such as contributions-based JSA and ESA, remain unaffected by Universal Credit. Child Benefit, Carer’s Allowance, Bereavement Support Payment and Personal Independence Payment are also unaffected by UC and you can continue to claim these benefits.

## Who can claim Universal Credit?

UC is for people who are on a low income and of working age – whether you are in work or not. You can receive it as a single person or as part of a couple, with or without children.

To qualify for Universal Credit, you must:

1. **be at least 18 years old**, although some 16 or 17 year olds may be able to claim (such as lone parents, disabled people or people estranged from their parents)
2. **be under State Pension age**. You can check your State Pension age on **gov.uk**

**Note for couples**: If you are in a couple where one partner is above state pension age and the other partner is below that age (known as a mixed age couple), you will usually only have the option to make a new claim for UC rather than Pension Credit

1. **reside in the UK**
2. **not be in further or higher education.** See our separate factsheet ‘Universal Credit for Disabled Students’ for exceptions to this rule
3. **meet the rules for income and capital**. See “The rules for income and capital” section below for more details
4. **accept a Claimant Commitment**. In return for receiving Universal Credit, you must accept and fulfil a Claimant Commitment to the DWP that sets out your responsibilities and the consequences if you do not meet them. See the Claimant Commitment section below for more details.

### Existing legacy benefit claimants

If you are currently getting legacy benefits you can continue to receive them. However, a change of circumstances may mean you have to claim Universal Credit instead, this is called natural migration. Not every change of circumstance means that you will need to claim Universal Credit. The types of changes that may result in you having to claim Universal Credit include:

* becoming responsible for a child for the first time
* a couple with or without children separating
* a lone parent becoming part of a couple
* becoming liable for rent for the first time

This list is not exhaustive.

**Please note** the legacy benefits you already receive may be more beneficial financially than the amount of UC you will receive. We recommend you seek advice from our helpline before making a claim for UC, outside of the managed migration process, when currently in receipt of legacy benefits.

There is no automatic transitional protection which maintains your level of UC at the same level as that paid through legacy benefits for people moving to UC through natural migration or voluntarily. However, people receiving a severe disability premium will usually receive some transitional protection of this premium if their UC claim isn’t made on the basis of forming a couple with a current UC claimant.

You must report any change in your circumstances to your local Jobcentre. Our Sight Loss Advice service can advise you if your change in circumstances will require you to make a claim for UC. You can speak to our Sight Loss Advice service by calling or emailing our Helpline.

**Please note** that if you claim UC your existing legacy benefits will end (after a two-week run-on of IS/ESA/JSA and HB) – even if you don’t quality for UC.

### Migration to Universal Credit

Eventually, all existing claimants of legacy benefits will be moved onto UC even if there has been no change of circumstances. This process was paused due to the pandemic but has now restarted with claimants of tax credits being prioritised. It is expected to still take several years for completion. If you are moved over to UC via the managed migration process, you will be entitled to transitional protection. This means that you should not lose out at the time you change to UC.

The amount you receive will remain the same until:

* your circumstances change
* **or** the amount of UC you are entitled to catches up with the amount you were receiving under the old benefit or tax credits system.

**Please note** the DWP are currently engaged in an advertising campaign encouraging claimants of legacy benefits to move to UC voluntarily, as some will be better off financially. However, this is not the case for all claimants, many of whom will be significantly worse off.

Once you have claimed UC there is no option to re**t**urn to your legacy benefit, even if you are worse off. We strongly recommend therefore that anyone considering this move should first seek advice from our Helpline for a ‘better-off’ calculation.

## How much is Universal Credit worth?

The amount of UC you receive depends on your circumstances. The DWP will pay you a standard allowance plus any additional elements that apply to you. The amounts quoted below are valid from April 2023 and are monthly amounts.

### The standard allowance

Rates from April 2023:

* Single claimant aged under 25: £292.11
* Single claimant aged 25 or over: £368.74
* Joint claimants, both aged under 25: £458.51
* Joint claimants, either aged 25 or over: £578.82

### The additional elements

#### 1. Child element

An amount of £269.58 a month will be included in your award for up to two children or qualifying young persons who normally live with you.

If you had a child amount included in your Universal Credit award on or before 6 April 2017, you will receive a higher rate of £315.00 a month for your eldest child or qualifying young person, otherwise the standard rate of £269.58 will apply to them.

You can only receive the child element for a third or subsequent child (or qualifying young person) if they were already included in your Universal Credit award on or before 6 April 2017. This is following the introduction of a two-child limit.

#### 2. Disabled child addition

You will receive an extra £146.31 for each of your children that receive any rate of DLA or qualifying young person that receives any rate of PIP. If your child or qualifying young person gets the highest rate of the care component of DLA, the enhanced rate of the daily living component of PIP, or is registered blind, you will receive £456.89 instead.

#### 3. Childcare element

If you pay for registered childcare when you go to work, then you can receive help towards this cost. There is no set number of hours you need to work. If you are in a couple, then both of you must be in work unless the non-working partner:

* has limited capability for work or work-related activity
* **or** has regular and substantial caring responsibilities for a severely disabled person
* **or** is temporarily absent from your household (for example, if they are in hospital or residential care).

The childcare element is worth 85% of your childcare costs up to a maximum of £646.35 for one child and £1108.04 a month for two or more children. Following an announcement in the Spring 2023 budget, these rates are due to increase in July 2023 to a maximum limit of £951.00 for one child and £1630.00 for two children. In a further changed, announced at the same time, from Summer 2023 parents who are moving into work or increasing their hours will be provided with childcare costs upfront, rather than in arrears, if eligible.

#### 4. Carer element

A carer element of £185.86 will be paid if you are caring for a severely disabled person for at least 35 hours a week. You do not have to claim Carer’s Allowance to get this element.

If you are making a joint claim, you can both receive a carer element if you both qualify for different people.

#### 5. Limited capability for work element

If you satisfy the Work Capability Assessment (WCA) as having a “limited capability for work-related activity”, you will receive an additional amount of £390.06 in your award.

You will not receive any extra money if you have “limited capability for work” unless you were found to have “limited capability for work” before 3 April 2017. If this applies, then a lower rate of the work capability element could be included in your award. This amount is £146.31. You can continue to receive this amount if it was included in your award before 3 April 2017, but it will not apply to new claims for UC.

### When can you receive the extra amount?

If you already had a decision on the WCA, you should have thelimited capability for work elementincluded in your UC award from the start of the claim. If you do not receive the extra element in your award, please seek advice to ensure that you are receiving what you are entitled to.

If you did not have a WCA decision when you claimed UC you will receive the extra element in your award following a “waiting period” of three months. During this period, you should undergo the WCA. If the process takes longer the DWP will backdate your payment so you do not lose out.

If you are a joint claimant only one of you can qualify for the limited capability for work element. You will also not be entitled to the Carer's element if you are in receipt of the limited capability for work element. However, if you qualify for this element and your partner is a carer, both amounts could be payable.

#### 6. Housing element

You may receive an extra amount to help you with your housing costs. How much you receive depends on whether you are a tenant or a homeowner.

If you are renting, your housing costs will be your monthly rent, less any deductions. Deductions can be made from your monthly rent if:

* Your home has more bedrooms than you need (this is known as the bedroom tax) or
* Your rent includes certain ineligible service charges or
* There are non-dependent adults living in your home.

If you rent from a private landlord your housing costs will be the maximum local housing allowance rate for your circumstance in your area, less any deductions.

### What if you are a homeowner?

Your housing costs will be based on the interest on your mortgage and any loans secured on your home. The interest rate used is currently fixed at 2.09%. This is known as support for mortgage interest (SMI). The maximum amount you can borrow on is £200,000 of borrowing secured against your home.

SMI is a loan and must be repaid with interest when the property is sold, unless the loan is being moved to another property. The interest added to the loan can go up or down, but the rate will not change more than twice a year. The current rate is 3.03%.

You can only receive support for your mortgage interest after you’ve received UC for three months in a row. Prior to April 2023 it was not possible to receive SMI for any month in which you did paid work. This restriction was removed as of 3 April 2023. At the same time a linking rule has been introduced that allows claimants to qualify for an SMI loan without re-serving the three month qualifying period should you become entitled to UC within six months of a previous UC award ending.

**Note:** you will have to make a separate claim for your Council Tax deduction (England, Scotland and Wales) or rates (Northern Ireland).

### The rules for income and capital

#### Capital

You can have some capital, such as savings, and claim Universal Credit but the more you have the more the DWP will reduce your entitlement. If you have:

* **£6,000 or less** of capital then the DWP ignores this and your UC will not be affected
* **between £6,000 and £16,000** worth of capital, you can make a claim for UC, but the DWP will reduce the amount of UC you get for every £250 (or part of £250) worth of capital you have – every £250 is treated as £1 a week in income
* **more than £16,000** in capital then you will **not** be able to claim UC. The only exception to this is if you are within a year of being moved from Tax Credits to UC.

#### Income

Almost all income you have will be considered for UC with the notable exception of disability benefit payments such as PIP. Your earned income and unearned income, which include other benefits, will be assessed over a one-month assessment period. The DWP will then determine how much UC you will receive.

If you are in **paid employment** your award will be reduced by 55% of your net earnings. This means that for every pound your award will be reduced by 55p. If you are eligible to receive a **work allowance** this deduction will only apply when you have exceeded your allowance.
You are entitled to a work allowance if you are responsible for a Child (or qualifying young person) or have “limited capability for work”.

There are two rates:

* lower rate of £379.00 per month where your award includes housing costs
* higher rate of £631.00 per month where your award does not include a housing costs element.

“Unearned income”, including carer’s, bereavement and widowed mothers/parents’ allowances, is subtracted pound for pound from your award. The DWP does **not** include some other incomes, such as any Disability Living Allowance (DLA), Child Disability Payment (CDP), Personal Independence Payment (PIP), Adult Disability Payment (ADP) or Attendance Allowance. Please note that CDP and ADP are payable in Scotland only.

### What about income from self-employment?

If you are self-employed, you will be required to record your earnings on a monthly basis using an online tool. If you are on a low income, the DWP will assume that you have a certain level of earnings, equal to the minimum wage for the hours you are expected to work. This does not apply during the first twelve months of starting a new business.

### Surplus Earnings

If your monthly earnings are more than £2,500 over the amount where your payment stopped, this becomes ‘surplus earnings’. Your surplus earnings will be carried forward to the following month, where they count towards your earnings. If your earnings (including your surplus earnings) are then still over the amount where your payment stops, you will not get a UC payment.

**If your earnings fall below the amount where your payment stopped, your surplus will decrease. Once your surplus has gone, you’ll be able to get a UC payment again.**

## How do I make a claim for Universal Credit?

Claims can be made by filling in a form online by visiting gov.uk/apply-universal-credit.This online system should meet the guidelines for accessibility and so should work with magnification and screen reading technology on computers and other devices.

If you are a single person living in a household, you simply make an individual claim for Universal Credit. If you are part of a **couple** you will need to make a **joint claim**.

If you are unable to complete an online application, you can contact the Universal Credit Helpline to request support on **0800 328 5644**, textphone on **0800 328 1344** and for Welsh language on **0800 328 1744**.

A DWP adviser may be able to complete the online form for you as you talk through the application over the phone or you can arrange to visit a local DWP office and an adviser can complete the form for you face to face. You may also ask for a **home visiting service** where DWP staff or a local support service are able to visit you at home to complete the form.

Citizens Advice (England and Wales) and Citizens Advice Scotland provide a Help to Claim service. To access this support, contact your local Citizens Advice Bureau.

## How will the DWP pay Universal Credit?

If you are a new claimant, you should receive your first payment around five weeks after the date on which you made your claim. This is made up of an assessment period of one calendar month plus a further seven days to process the claim.

If your claim is successful, how you are paid UC will depend on where you live.

### England and Wales

You will be paid monthly in arrears. It will consist of one payment that they will pay directly into your bank account. In exceptional cases the DWP may split payments. For example, vulnerable tenants can have their housing element of UC paid direct to their landlord. For all other claimant’s, the monthly payment will include their housing costs.

### Scotland

If you live in Scotland you can choose to get fortnightly payments, instead of one monthly payment. You can also request for housing payments to be made directly to your landlord. There is no requirement for any special circumstances and the DWP must agree to a request unless it considers it to be unreasonable. You can make a request for the fortnightly payments after the end of the first monthly assessment period.

### Northern Ireland

If you live in Northern Ireland, you automatically get fortnightly payments but can ask to be moved to monthly payments. Your housing payments will be paid directly to the landlord or mortgage lender, but you can request for it to be paid to you if you wish to pay your own rent.

### Backdating and payments in advance

The DWP will only allow backdating of UC payments up to a maximum of one month and only in limited circumstances such as ill health, disability or if the system has failed, meaning you have been left out of pocket.

If you need help paying bills or covering other costs while you wait for your first UC payment, you can apply to get an advance.

#### Short-term advance

You can request an advance within five days of your claim, or following a change of circumstances, of up to 100% of your estimated entitlement. This is discretionary and you must be in financial need. A short-term advance is usually recovered over 24 months.

#### Budgeting advance

You can ask for a budgeting advance to meet an intermittent expense (e.g., furniture, household equipment, childcare costs, rent in advance or a deposit). Unless the payment is for expenses for getting or keeping work, you must have been receiving UC (or IS, JSA or ESA) continuously for at least 6 months. Advances are discretionary, with no right of appeal, and are recovered by deductions over 6, 12 or 24 months depending on your circumstances. You apply for an advance through your online journal or by calling the UC Helpline.

## How does the benefit cap work under Universal Credit?

There is a cap on the total amount of benefits (including Universal Credit) that a household can receive, so that it’s not higher than the average earnings after tax of a **working** household. Within Greater London the benefit cap is:

* £326.29 a week if you are a single person with no children
* £486.98 a week in all other cases

And outside Greater London the cap is:

* £283.71 a week if you are a single person with no children
* £423.46 a week in all other cases.

You’re not affected by the cap if you or your partner:

* get Universal Credit because of a disability or health condition that stops you from working (this is called ‘limited capability for work and work-related activity’)
* get Universal Credit because you care for someone with a disability
* get Universal Credit and you and your partner earn £722 or more a month combined, after tax and National Insurance contributions

You’re also not affected by the cap if you, your partner or any children under 18 living with you gets:

* Adult Disability Payment
* Armed Forces Compensation Scheme
* Armed Forces Independence Payment
* Attendance Allowance
* Carer’s Allowance
* Child Disability Payment
* Disability Living Allowance
* Employment and Support Allowance (if you get the support component)
* Guardian’s Allowance
* Industrial Injuries Benefits (and equivalent payments as part of a War Disablement Pension or the Armed Forces Compensation Scheme)
* Personal Independence Payment
* War pensions
* War Widow’s or War Widower’s Pension.

If you are affected, the benefit cap might not start for 9 months - depending on your earnings.

### What about conditionality and sanctions?

There are usually work-related conditions on your entitlement to UC and the possibility of sanctions if you do not comply. You must accept a Claimant Commitmentto receive UC. This outlines what your responsibilities are. Your responsibilities vary according to which one of the four groups of claimants the DWP places you into.

If you are a single person living in a household, you simply make an individual claim for UC. If you are part of a couple you will need to make a joint claim. The DWP will then place each of you in the group that is relevant to you. As a couple, you will then receive one payment that adds together the amounts you each should get.

You may be asked to attend a face to face interview to accept your Claimant Commitment or you may be able to accept the Claimant Commitment over the telephone, or via the online journal. You will be notified how to accept your Claimant Commitment when you have submitted your claim.

There are plans, announced in the Spring Budget 2023, to change the way work conditionality is established and, therefore, who is subject to sanctions for non-compliance.

Those plans include increasing the job support for UC claimants who are the lead carers of younger children who currently have no or limited requirements to search for and prepare for work, with additional work coach support for those with children aged 1 or 2 to prepare for work, and those with children aged 3 to 12 being supported to increase the number of hours they are expected to search or prepare for work each week.

However, as of April 2023, the following rules apply.

#### Group 1: claimants subject to no work-related requirements

If the DWP places you in this group, you will not have to search for work and the DWP will not require you to return to work.

People in this group should include:

* people with a limited capability for **work-related** **activity** (not just work) because of their health or a disability. This should apply to you if you were in the support group for ESA
* lone parents or the main carer in a couple with a child under one
* carers with regular and substantial caring responsibilities for a severely disabled person
* people earning above a set threshold.

#### Group 2: claimants subject to the work-focused interview requirement only

If the DWP places you in this group, they expect you to attend periodic interviews to discuss your plans to get back into work.

People in this group include:

* lone parents or the main carer in a couple with a child over one but below the age of five
* lone foster carers or the main carer in a fostering couple, with a foster child under the age of 16
* people who have become the main “family and friends carer” for a child in the past year.

#### Group 3: claimants subject to the work preparation requirement

If the DWP places you in this group, they expect you to take “reasonable steps” to prepare for work, such as attending a skills assessment, improving your personal presentation, taking part in training or an employment programme, and undertaking work experience or a work placement.

People in this group should include people with a limited capability for work because of health or disability. This should apply to you if you were in the work-related activity group for ESA.

#### Group 4: claimants subject to all work-related requirements

This group is subject to a work search requirement. This includes making applications and registering with employment agencies, and a work availability requirement, which is subject to limitations as agreed, as they would under jobseeker’s allowance.

This group is for everyone else and is the default group for claimants such as lone parents and the main carer in a couple with children over the age of five.

The DWP may require you to look for **more** work if you do not earn at least the minimum wage for 35 hours a week (or less if they have agreed to you having a reduced availability for work).

#### What happens if I don’t fulfil my commitments?

It is important that you are placed in the correct activity group and that your claimant commitment reflects your circumstances. If you do not fulfil your commitments the DWP may reduce your standard allowance for UC. This is known as a sanction.

You can challenge a sanction decision through the mandatory reconsideration and appeals process. There is no time limit to ask for a mandatory reconsideration of a sanction decision, unlike other benefit decisions where a one-month deadline usually applies. If you would like advice about challenging a sanction decision, please call our helpline.

Although it is not possible to challenge what conditionality is attached to your claim for UC through the mandatory reconsideration and appeal process, you can ask for it to be amended if you think it doesn’t reflect your personal circumstances. You can also ask for a reasonable adjustment based on being considered disabled under the Equality Act 2010.

## What can I do if I don’t get awarded Universal Credit or if I am unhappy with my award?

If you dispute the decision made on your UC claim and would like the DWP to look at their decision again, you can ask for a reconsideration within one month from the date of the decision.

The DWP Decision Maker will contact you to discuss the reasons for their decision and answer any questions you (or someone acting on your behalf) may have. This is called “mandatory reconsideration”.

If, after the DWP have reconsidered their decision, you are still unhappy with the outcome and wish to dispute it, you can then lodge an appeal with HM Courts & Tribunal Service.

For further information on the appeals process, please see our Benefits appeals factsheet.

Our specialist Welfare Benefits team and Legal Rights service can provide legal advice and, where possible, representation on appeals to the Tribunal.

## How we can help

If you would like any more information about Universal Credit you can speak to our Advice service by calling our Helpline. Our advisors can also carry out a full benefit check with you and give you advice about applying for other benefits you may be missing out on.

Our Welfare Benefit Sight Loss Advisors are available to offer help if you would like to challenge a benefit decision or think you should be awarded more than you have been. Our advisers can help you with the mandatory reconsideration and First Tier Tribunal (appeals) process.

RNIB’s Legal Rights service is available to offer you help with more complex benefit queries and appeals, such as those to the Upper Tribunal, once the initial appeals process to the First Tier Tribunal has been completed.

### RNIB Helpline

If you need someone who understands sight loss, call our Helpline on **0303 123 9999**, say **“Alexa, call RNIB Helpline”** to an Alexa-enabled device, or email **helpline@rnib.org.uk**. Our opening hours are weekdays from 8am – 8pm and Saturdays from 9am – 1pm.

### Sight Advice FAQ

Sight Advice FAQ answers questions about living with sight loss, eye health or being newly diagnosed with a sight condition. It is produced by RNIB in partnership with a number of other sight loss organisations. **sightadvicefaq.org.uk**

### Connect with others

Meet or connect with others who are blind or partially sighted online, by phone or in your community to share interests, experiences and support for each other. From book clubs and social groups to sport and volunteering, our friendly, helpful and knowledgeable team can link you up with opportunities to suit you. Visit **rnib.org.uk/connect** or call **0303 123 9999.**

The factsheet gives general guidance only and is not an authoritative statement of the law.



**RNIB Legal Rights Service**

**April 2023**

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