

## Factsheet 92

# Universal Credit

April 2024 (Amended August 2024)

### About this factsheet

This factsheet gives information about Universal Credit, a means-tested benefit for people under State Pension age (currently 66 years). This can also affect people aged over 66 if they have a partner under 66. It includes information about how Universal Credit affects people claiming other benefits and how to claim it.

The information in this factsheet is correct for the period April 2024 to March 2025. Benefit rates are reviewed annually and updated in April, but rules and figures can change during the year.

The rules for claiming Universal Credit have changed many times since its introduction and continue to be amended regularly. This factsheet aims to provide a general overview of the key aspects to Universal Credit, but it is important to seek advice about specific issues or problems due to these regular changes.

The information in this factsheet is applicable in England, Wales and Scotland (NoteW\*nn9eoo Universal





## Glossary

ADP	Adult Disability Payment (Scotland)	ESA	Employment and Support Allowance
APA	Alternative Payment Arrangement	HMRC	
CA			
CDP	Child Disability Payment (Scotland)		
CSP	Carer Support Payment (Scotland)		
CTR	Council Tax Reduction/Support		
DHP	Discretionary Housing Payment		
DLA	Disability Living Allowance		
DWP	Department for Work and Pensions		
EEA	European Economic Area		



A person who is a member of a couple can claim UC as a single person if the other member of the couple:

is not present, or is not *habitually resident*, or is a person subject to immigration control (see section 11).

is temporarily absent from their household and the

## **Transferring from UC to PC**

If you expect to be entitled to PC once you reach State Pension age, you can make an advance PC claim up to four months early so that it starts the day you reach State Pension age. Check your entitlement using the Age UK benefits calculator at

## Note

If you are claiming HB, IB-JSA, IR-ESA or IS when you apply for UC, these benefits can be paid for the first two weeks of your UC award. This is not recoverable and does not affect how much UC you get.

If your change of circumstance does not require a new claim, you remain entitled to legacy benefits. Examples include if you claim:

a legacy benefit and become entitled to another premium or allowance  
a disability benefit like PIP, , CSP or ADP in Scotland  
one of the tax credits and you subsequently qualify for the other  
old style Contributory ESA and become entitled to income-related ESA  
HB and move to new rented accommodation within the same local authority area.

There is limited transitional protection if you transfer to UC due to a change of circumstance, which can mean a reduction in the overall amount of benefit you receive. See sections 6 and 7 about how to





When a claim is made, an online account is created with a username

## Someone acting on your behalf

If you are unable to act for yourself, someone acting under a Lasting Power of Attorney or a DWP appointee can make the claim (and receive payment) on your behalf. This includes corporate appointees, where an organisation such as a local Age UK, a solicitor, or a local authority acts on behalf of clients.

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If you refuse to accept a Commitment, your UC claim is refused. The only exceptions are if you lack the capacity to accept this, or there are exceptional circumstances which would make acceptance unreasonable (e.g. illness or a domestic emergency).

The Commitment places a duty on you to notify any change of circumstances or highlight incorrect information. If you fail to meet a requirement in your Claimant Commitment, your UC amount can be reduced by a sanction until you comply. See section 5 for more about work-related requirements and the penalties for not meeting them.

If you are unhappy with the requirements in your Commitment, it may be advisable to sign it anyway, so the UC claim can be decided and put into payment and ask your work coach to vary the contents later on.

If you are terminally ill (suffering from a progressive disease where death in consequence of that disease can reasonably be expected within 12 months), you are not required to accept a Commitment.

### **3.4 Claim maintenance**

UC is designed so you can manage your claim directly through an online account. There is *To do* , *Journal*

## 4 Decisions and payments

When you complete your UC claim and it is received by the DWP, a decision is made about your eligibility. Entitlement to UC is assessed over a month which is known as an *assessment period*. Awards are calculated and notified automatically through the online journal or by post for telephone claims. Award notices (and revised awards) includ.

### 4.3 Alternative payment arrangements

It may be possible to have different payment arrangements under certain circumstances, such as if you are vulnerable and find it difficult to budget. In Scotland you can choose rent direct and twice monthly payments. and

there is no right of appeal. They include:

paying housing costs directly to the landlord, known a

### 5.1.1 All work-related requirements

All four work-related requirements are imposed if the exc-3(ts) 3(u)-3(ir)5(e)-3(m)3(e)-Sw4(s) pTm0 gr

### 5.1.3 Work-focussed interviews only

You are required to attend and take part in work-focussed interviews if you are responsible for a dependent child aged between one and two.

### 5.1.4 Work-focussed interviews and work preparation requirements

If you are assessed as having a limited capability for work (LCW), or are responsible for a child aged between two and three years old, or you do not work sufficient hours or earn sufficient wages, you must attend and take part in work-focussed interviews and undertake work preparation requirements.

## 5.2 Types of work-related requirements

What you are required to do depends on which *conditionality group* you are placed in. *work-related requirements* :

**Work-focussed interviews** to assess and enhance your job prospects. There is no requirement to apply for or take up a job or engage in a work preparation activity.

**Work preparation** to increase



### **5.3 In-work conditionality**

This requirement applies if you do not work sufficient hours or have sufficient earnings. You are expected to increase your pay or hours in your current job or find new or additional employment. Your preferred

## 5.6 Types of sanctions

The level of sanctions depends on your conditionality group.

### Higher level sanctions

These apply if you are subject to all work-related requirements and you: cease working or lose pay because of misconduct, or voluntarily for no good reason

fail for no good reason to apply for a job or take up an offer of paid work

fail for no good reason to undertake a work placement or activity.

Losing a job or failing to take up a job offer prior to claiming UC can also result in a sanction. The days between this happening and the date of claim are deducted from the length of the sanction. The higher level sanction is the loss of the standard allowance for 91 days for a first failure and 182 days for subsequent failures within a year.

### Medium level sanctions

These apply if you are subject to all work-related requirements and you fail, for no good reason, to comply with a:

work search requirement to take all reasonable action to obtain paid work

work availability requirement.

A medium level sanction is the loss of the standard allowance for 28 days for a first failure and 91 days for subsequent failures within a year.

### Low level sanctions

These apply if you are subject to all work-related requirements, or work-focussed interviews and work preparation only, and you fail, for no good reason, to comply with a:

specific work search requirement

work preparation requirement

requirement to take part in a work-focussed interview or a conditionality compliance interview.

A low level sanction is the loss of the standard allowance until the requirement is met, or is no longer required to be met, plus a further fixed period of seven days for a first failure, 14 days for a second failure within a year, and 28 days for a subsequent failure within a further year.

### Lowest level sanctions

These apply if you are subject to work-focussed interviews only and you fail, for no good reason, to take part in an interview. The lowest level sanction is the loss of 40 per cent of your standard allowance, or 40 per cent of half of the couple allowance, until the requirement is met or is no longer required to be met.

## 5.7 Avoiding and challenging sanctions

ing to comply with a requirement, you should not be sanctioned. *good reason* legislation but existing case law on *good cause* *reasonable person* you did. Factors such as illness, domestic violence, and caring responsibilities may be relevant.

There is a right of appeal against a sanction decision, including whether there is *good reason*. You must ask for a revision first but you can do this at any time. If you have more than one sanction, you can ask for each decision to be revised even if they were made a long time ago (see section 4.4).

## 5.8 Sanctions from previous benefits

If you have an ongoing sanction from a previous benefit when you claim UC, the sanction continues for the period of time remaining (minus any days between your previous benefit ending and your UC claim starting).

The amount of the sanction is calculated in the same way as the other UC sanctions described above.

## 5.9 Hardship payments

You can claim a recoverable hardship payment of 60 per cent of the sanctioned amount if you:

cannot meet your immediate and most basic and essential needs for accommodation, heating, food, and hygiene

have made every effort to access alternative sources of support and have ceased expenditure on other needs

have complied with all work-related requirements in previous seven days, and

have applied for a hardship payment, providing required evidence and information (normally at a Jobcentre Plus interview).

You must re-apply for a hardship payment each month you require one. There is a right of appeal against the refusal of a payment.

Recovery of these payments is made by deductions from your UC of up to 25 per cent of the standard allowance. Recovery is suspended if you have earnings above your threshold and any balance is written off after 26 weeks of working.

## 6 Elements of UC

Your UC payment is made up of a standard allowance with different

elements (e.g. (s)-3op oe o oe 78(o)-3(f)-3(t)8hdebo103(e)-3(d)-3( )JTJETQq0.000008871 0 595.

**Work capability**

This element applies

*limited capability for work*

## Housing costs

This element is for rent and similar payments (such as payments for a licence, shared ownership schemes, site fees, and houseboat mooring) and some service charges on accommodation normally occupied as your home. See DWP guidance in section 11 for more information.

You must be liable to make payments on a commercial basis to qualify for housing costs. You are not treated as liable to make payments to resident family members and close relatives. You can be temporarily absent from your home for a maximum of six months and still receive housing costs.

If you are a social housing tenant or contract holder in Wales, your entitlement is reduced if you have excess bedrooms. For one excess bedroom, the amount is reduced by 14 per cent of your eligible rent and for two or more excess bedrooms, by 25 per cent. This is commonly called *bedroom tax*

Entitlement for private tenants or contract holders is worked out using the Local Housing Allowance for your area. If you live in specified supported accommodation, housing costs are met by Housing Benefit. This covers hostels, domestic violence refuges and accommodation provided by a County Council, housing association, registered charity or voluntary organisation, where residents receive care, support or supervision.

See factsheet 17, *Housing Benefit*, for more information.

## Owner occupiers

Housing costs can cover some service charges. If you have a mortgage or home improvement loan, Support for Mortgage Interest can pay towards your interest payments, up to an upper mortgage limit of £200,000. This help is in the form of a loan and must be repaid. You must have been claiming UC for at least three months to qualify.

For more information, see [www.gov.uk/support-for-mortgage-interest](http://www.gov.uk/support-for-mortgage-interest)

### Note

For more information about eligible housing costs and service charges, see [www.gov.uk/housing-and-universal-credit](http://www.gov.uk/housing-and-universal-credit)

## Non dependants and housing cost contributions

A deduction of £91.47 a month from the housing element is made for any non-dependant living with you (someone who is not your partner or dependent child). There is no deduction if you are entitled to DLA (middle or high-rate care component), PIP (daily living component), AA, or ADP in Scotland, or if you are registered blind. There is no deduction for non-dependants aged under 21; or entitled to a benefit above or PC allowance or CSP; or who is responsible for a child under five.

## 6.1 SDP transitional element

This element only applies if you or your partner received a **severe disability premium**

These additional amounts only apply if you are entitled to the SDP transitional element. They are included in your maximum UC even if your transitional element has been reduced to nil by other increases in your award. The additional amounts will then reduce in the same way as the SDP transitional element.

If you or your partner become entitled to the carer element (see page 20) after the first day of the UC award but within your first assessment period, this may affect your SDP transitional element. If you become entitled to the carer element after your first assessment period, the amount of the carer element reduces your transitional element by the same amount.

If you cease to satisfy the SDP requirements after your first assessment period, for example, your PIP award ends, the transitional element stays the same. If your UC entitlement increases, for example, your rent goes up, your transitional element decreases by the same amount.

## 7 Working out amount

UC is calculated on a monthly basis by:

adding up the elements of UC to which you are entitled, to give a *maximum amount* (section 6)

deducting some types of income and *tariff income* (sections 7.1)



## Unearned income

All *specified* monthly unearned income is taken into account and reduces UC entitlement on a pound for pound basis. *Specified* types of income set out in regulations and includes:

## 7.2 Capital

If you have capital over £16,000, you are not entitled to UC. If you have *tariff income* a month for every £250 or part £250 above £6,000. This is added to your other income when determining your entitlement to UC. Any capital under £6,000 is disregarded.

Types of disregarded capital includes premises occupied as a home, personal possessions, business assets, some arrears of benefit (for 12 months), and personal injury payments in a trust fund. All other capital, including jointly owned capital and property, are relevant when determining tariff income. See DWP guidance in section 11 for more.

### Notional capital

#### *notional capital*

yourself of capital in order to increase, or become entitled to, UC, unless you repay a debt or it is reasonable in your circumstances.

## 7.3 Benefit cap

The benefit cap limits the total amount households can receive from UC, JSA, ESA, Child Benefit, Maternity Allowance, and Severe Disablement Allowance. If your overall benefit income is over the capped amounts, the excess is deducted from your UC award after offsetting any childcare costs.

The monthly cap is:

£1,413.92 (single claimants) or £2,110.25 (lone parents and couples) if you live in Greater London

£1,229.42 (single claimants) or £1,835 (lone parents and couples) if you live in another part of the UK.

The cap does not apply:

if you or your partner have LCWRA, or receive AA, DLA, PIP, ADP, CSP,

## 7.4 Examples of UC calculations

### Single person with a disability

Receives contributory ESA (£392.17 a month) and PIP standard daily living component (£314.82 a month). No other income or capital. Has eligible housing costs of £300 a month.

Maximum UC	Income
Standard element - £393.45	ESA - £392.17
Housing element - £300	PIP is disregarded
Total - £693.45	Total - £392.17

Relevant changes include:

changes to your employment (changes to earnings are usually reported to the DWP by HMRC, but you are required to check these figures are correct as any overpayment is recoverable from you)

changes to other income or capital

becoming, or ceasing to be, a member of a couple

becoming responsible for a child

temporary absences from Great Britain (see next section).

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Overpayments can be recovered at set statutory amounts from on-going UC payments, other benefit payments, deductions from earnings or by court order. You can ask DWP to exercise discretion not to recover an overpayment, but they do not have to agree to such a request.

A civil penalty can be imposed if an overpayment arises because you negligently give incorrect information or fail to notify a change of circumstances without reasonable excuse. For more information about this, see factsheet 74, *Challenging welfare benefit decisions* or seek specialist advice.

## 9 Housing issues

If you receive housing costs as part of your UC claim, these are normally paid directly to you and you must pay your landlord yourself.

If you struggle with this, or other issues with your UC payment, you can apply for alternative payment arrangements, see section 4.3.

You can also apply for a Discretionary Housing Payment if you are struggling with housing costs, see section 10.6.

## 10 UC and other benefits

There are other benefits people under State Pension age can claim depending on their circumstances. For more information, see factsheet 56, *Benefits for people under State Pension age* or contact Age UK Advice, Age Cymru Advice, or Age Scotland for a benefit check.

### 10.1 Passporting to other benefits

If you receive UC, you may be *passport* help with health costs, housing grants, and free school meals and may be entitled to Social Fund payments or Local Welfare Provision. See in the Useful resources section for more.

### 10.2 Contribution based benefits

These benefits depend on you or your spouse s National Insurance (NI) record. Your entitlement is not normally affected by any capital you have,



## 10.4 Other benefits

### Council Tax Reduction

Council Tax Reduction or Support is help towards Council Tax if you claim UC, other means-tested benefits, or are on a low income. You must be liable to pay Council Tax but it does not matter if you are a tenant, home owner, contract holder or other kind of resident.

If you live alone, or your home has certain adaptations for a disabled person, or you have a severe mental impairment, you may receive a discount on your Council Tax bill. For more information, see factsheet 21, *Council Tax*. In **Wales**, see Age Cymru factsheet 21w, *Council Tax in Wales*. In **Scotland**, see Age Scotland guide, *Council Tax and Council Tax and Council Tax Reduction*.

### Healthcare costs

Depending on your income and savings, you may get help with healthcare costs through the [Healthcare Costs Reduction Scheme](#). For example, prescriptions, dental care and glasses. For more information, see factsheet 61, *Help with health costs*, or Age Cymru, 61w, *Help with NHS health costs in Wales*, in Scotland see *NHS Services for Older People*.

### Social fund and local welfare provision

The Social Fund provides lump sum cash payments for extra expenses that are difficult to meet from your weekly income. For more information, see factsheet 42, *Social Fund*.







## Useful organisations

### **Carers UK**

[www.carersuk.org](http://www.carersuk.org) (England)  
[www.carersuk.org/scotland](http://www.carersuk.org/scotland) (Scotland)  
[www.carerswales.org](http://www.carerswales.org) (Wales)  
Telephone Helpline 0808 808 7777

Provides information and support for carers, including benefits.

### **Citizens Advice**

England or Wales go to [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)  
Scotland go to [www.cas.org.uk](http://www.cas.org.uk)  
In England telephone 0800 144 8848  
In Wales telephone 0800 702 2020  
In Scotland telephone 0800 028 1456

### **Citizens Advice Help to Claim service**

[www.citizensadvice.org.uk/about-us/contact-us/contact-us/help-to-claim](http://www.citizensadvice.org.uk/about-us/contact-us/contact-us/help-to-claim)  
Telephone 0800 144 8 444 (England), 08000 241 220 (Wales) or  
0800 023 2581 (Scotland)

National network of advice centres offering free, confidential, independent advice.

### **Disability Service Centre**

[www.gov.uk/disability-benefits-](http://www.gov.uk/disability-benefits-)

**Gov.uk**

[www.gov.uk](http://www.gov.uk)

Official government website, includes information about pensions planning and the State Pension.

**Jobcentre Plus**

[www.gov.uk/contact-jobcentre-plus](http://www.gov.uk/contact-jobcentre-plus)

Telephone 0800 055 6688

Administers most benefit claims for working age people.

**MoneyHelper**

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

Telephone 0800 138 7777

Free, unbiased money advice to everyone across the UK.

**Pension Service (The)**

[www.gov.uk/contact-pension-service](http://www.gov.uk/contact-pension-service)

Telephone 0800 731 0469

Future Pension Centre 0800 731 0175

Details of state pensions including forecasts and claiming your pension.

**Settled**

<https://settled.org.uk/en/>

Telephone 0330 223 5336 select the language you wish to speak.

Alternatively, email (in your preferred language) an explanation of your situation, name and location, and someone will reply as soon as possible:

[advice@settled.org.uk](mailto:advice@settled.org.uk) for general enquiries

[roma.advice@settled.org.uk](mailto:roma.advice@settled.org.uk) for the service for Roma people.

[ApplyEUSSWales@settled.org.uk](mailto:ApplyEUSSWales@settled.org.uk) if you live in Wales, and would like support making an application for pre-settled or settled status

[ukraineadvice@settled.org.uk](mailto:ukraineadvice@settled.org.uk) for advice on Ukrainian visa schemes

Organisation for EEA citizens wanting advice and support about the EU Settlement Scheme.

**Social Security Scotland**

[www.socialsecurity.gov.scot](http://www.socialsecurity.gov.scot)

Telephone 0800 182 2222

Responsible for paying ADP, CDP and SCP in Scotland

**Tax Credits**

[www.gov.uk/manage-your-tax-credits](http://www.gov.uk/manage-your-tax-credits)

Telephone 0345 300 3900

Responsible for administering Child Tax Credit and Working Tax Credit.



## Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

### **Age UK Advice**

[www.ageuk.org.uk](http://www.ageuk.org.uk)

0800 169 65 65

Lines are open seven days a week from 8.00am to 7.00pm

