

A starter guide to ...



universal credit



Universal credit is a payment from the Department of Work and Pensions (DWP) meant to help anyone on a low income or out of work and below pension age. We hope it will be useful if you are at risk of **losing a job** or having your **work hours cut**. You might also find yourself getting universal credit if you are already getting help with living costs through **another welfare benefit** and your 'circumstances change'.

If you lose your job or your hours are cut you should apply for universal credit as soon as you can. Any payment you might get will only start from the time you apply and nothing at all is paid for the first five weeks. If you already get welfare support, like housing benefit, please check the list on page four to see what can qualify as 'changed circumstances'.

GOVERNMENT PAYMENT

Whether you are in work, looking for work, or unable to work because of poor health, if your income is low you may be able to claim universal credit.

Universal credit is a payment to help with your living costs if you are 18 or over* and you or your partner (if you live with them) are below pension age.

If you are living with your partner (married, not married or in a civil partnership) you have to apply for universal credit as a couple, even if your partner is not claiming.

Your partner's income and savings will be counted as if you share them. For more on couples go to www.moneyhelper.org.uk/en/benefits/universal-credit/joint-universal-credit-payments-for-couples

** In special circumstances, some 16- or 17-year-olds may qualify.*

WELFARE WITH A DIFFERENCE

Universal credit is not like other welfare payments. You will be dealing with the DWP instead of Islington Council. And even if you are familiar with the welfare system, you will likely find the rules very inflexible.

MOVE FAST OR BE LEFT SHORT-CHANGED



If your income drops or you lose your job apply for universal credit as quickly as you can. If your claim is accepted, any payments will only date back to the time you hit 'send' on the online application.

FIVE-WEEK WAIT

You will not get any payment at all for the first five weeks. This is another good reason for making your claim as soon as possible.

See page two for more on when and how universal credit is paid.

BE PREPARED: BUILD UP A BUFFER AGAINST RENT ARREARS

If you are now in work and earning enough to put a little extra aside each month we very strongly advise you to start paying a bit more into your rent account now, maybe £3.80 a week.

If worst comes to worst, you should get some peace of mind from having this modest buffer against rent arrears.

The DWP will take into account any other type of savings or investments you have when it calculates how much (or how little) money it might award you as universal credit. Rent paid upfront is one of the few 'savings' it will not count.



HOW MUCH WILL I GET?

Universal credit is means-tested so how much you might get depends on income, savings, previous earnings and personal circumstances.

Our housing team can help you calculate how much you should get or you could try:

- * the government guide www.understandinguniversalcredit.gov.uk/new-to-universal-credit/how-much-youll-get/
- * or this independent service www.entitledto.co.uk/help/Calculating-Universal-Credit

The sum the DWP settles on will start with a basic allowance but may be topped up to help with the cost of your housing (rent), bringing up children, caring for someone or coping with sickness or a disability.

The DWP will also take account of any income you get, from work or another source, your savings and any investments, and your household set up.

IF THE DEPARTMENT OF WORK AND PENSIONS SAYS JUMP...

There are lots of strict rules and failing to observe them to the letter could see your payments cut or stopped completely.

If that happens you will have to start again from scratch, re-applying then going through another five-week wait before any new payment turns up. We explain some of these conditions on page four.



ANY SAVINGS AND/OR INVESTMENTS WILL AFFECT YOUR CLAIM

If you have any savings and/or investments that, added up:

- * come to more than £16,000 you will not be eligible for universal credit
- * come to between £6,000 and £16,000, you may get some money but the DWP will assume you can use it as income so will cut the amount they award you to reflect that.



WILL UNIVERSAL CREDIT PAY MY RENT?

It may pay all or part of your rent. This will be paid into your online bank account once a month as a lump sum including all other sums you are entitled to. It is then up to you to pay us what you owe in rent and service charges.

NO UP-FRONT PAYMENTS

Universal credit is only paid after the four weeks it covers have gone. The first monthly payment will not be made until at least five weeks after you have applied for universal credit.

This is meant to mirror the way a salary is paid – after you've done the work – but when you have nothing to tide you over at all it makes for very hard going.

If you need help coping with costs and debts while waiting for the first payment please let us know. We can get someone to help you plan a budget and may be able to help in other ways.

NB As soon as you apply for or are switched over to universal credit, any other welfare benefits you have been getting will stop. The only exception is housing benefit. This will be paid for an extra two weeks.

ASKING FOR AN ADVANCE PAYMENT

If you think you will find it impossible or very very hard to cope during the first five-week wait, you can ask the DWP for an advance payment.

To pay it back, once your universal credit payments begin the DWP will take a bit off each month until the advance is paid off.

We strongly recommend only asking for an advance as a last resort as it could leave you with less to live on for up to two years.



WHAT IF I DO NOT HAVE AN ONLINE BANK ACCOUNT?

You will have to open an online savings account, with a bank, credit union, building society or the Post Office.

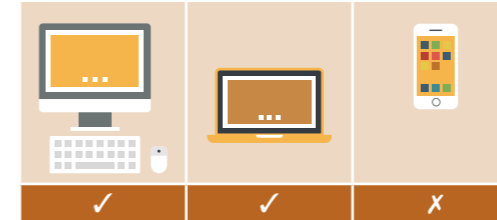
If you are claiming as a couple any money will be paid as a lump sum to both of you. If you don't already have a joint account, it might be a good idea to set one up.

If you are not sure how to open or manage an online savings account, or don't have the right equipment, we can help. If you need training and support, we can help with that too.

TO START YOUR APPLICATION

You will need:

- * to be connected to the internet using a desktop computer or laptop. Trying to apply with a smartphone is extremely hard.



- * an email address, ideally one you will be able to carry on using if you switch to a new internet service provider



- * an online bank account
- * proper ID, such as a driving licence, your passport or a bank debit or credit card

If you don't have one or any of these tell us and we will do what we can to help.

First get your answers ready

You will need to jot down some facts and collect paperwork so you can answer all the questions. Before you start we suggest noting down:

- 1 the sort code and account number of your online bank account
- 2 the email address you plan to use
- 3 your last rent and service charges statement
- 4 details of your work income for the last two years, employed or self-employed, and your P45 if you've lost your job
- 5 any savings accounts and/or investments including shares, premium or other bonds, ISAs and non-state pensions
- 6 any lump sum payments made in the past two years including redundancy or severance, an inheritance, an insurance pay out or damages
- 7 unlikely, but if you have a share in any property you'll need to report that too.



Now go to www.universal-credit.service.gov.uk/postcode-checker and hit the button to start.



FRAUD CHECKS

The DWP has the right to monitor your savings accounts. If they suspect you of fraud, they also have the right to check anything you post on social media.



If you have an illness or disability that makes using the internet or managing your affairs difficult, call the universal credit helpline to ask for an appointment to apply by phone. Someone will call you back at the appointed time to help you put in your claim by phone.

- 1 Telephone: 0800 328 5644
- 2 Textphone: 0800 328 1344
- 3 Relay UK (if you cannot hear or speak on the phone): 18001 then 0800 328 5644
- 4 Video relay service for British Sign Language (BSL) users - check you can use this service
- 5 Monday to Friday, 8am to 6pm

STAYING ON TOP OF YOUR RENT

Your tenancy agreement makes clear your rent has to be paid in advance. This is going to be especially hard if you get universal credit. It is why we strongly encourage you to now start paying an extra £3.80 per week to build up a buffer, if you can.

To change the amount you pay, either set up a standing order or repeat card payment. Get in touch with us if you need help to do this.

CHANGED SITUATION COULD LEAD TO YOUR BEING SWITCHED OVER TO UNIVERSAL CREDIT

If you have been getting one of the welfare benefits the government calls 'legacy benefits', you could find they stop suddenly and you get switched to universal credit.

If you do suddenly find you are getting universal credit instead of housing benefit, please note that you will now have to pay your rent direct to us with this money.

'Legacy' benefits are no longer available to anyone making a new claim. They include housing benefit, tax credit (child or working), income support, income-related employment and support allowance and income-based jobseeker's allowance.

The DWP wants to get rid of these so has a two-pronged plan.

One is switching you over to universal credit automatically if anything in your circumstances changes. See box top right for what might count as a change of circumstances.

The other way probably won't apply in Islington until 2024. It is called managed migration and applies to everyone on 'legacy benefits' in a particular area.

The DWP moves everyone claiming the older style benefits in that area onto universal credit.

EXAMPLES OF WHAT THE DWP MIGHT CONSIDER A CHANGE OF CIRCUMSTANCE

The list is long and it may change. What it means is that anyone affected by any of the following getting a 'legacy benefit' may find the DWP switches them over to universal credit:

- * getting a new job or ending one
- * working longer or shorter hours
- * moving in with your partner or you, or them, moving out
- * having a baby
- * a child starting school
- * starting or stopping being a carer
- * changing your email address or mobile number
- * moving home
- * changing your bank account or its details
- * your rent going up or down
- * your making a new claim for help with a disability
- * your health changing for better or worse
- * becoming too ill to work or meet your 'work coach'
- * if you're self-employed, your earnings changing
- * your partner applying for universal credit, even if it is turned down.

You might also be asked to claim universal credit if your income has gone down because of Covid-19 or you can't work because you're sick, self-isolating or shielding and don't qualify for statutory sick pay.

DWP RULES ON UNIVERSAL CREDIT

Remember that the DWP sets very strict rules and conditions if you are getting universal credit. Please do your best to keep to them. If you don't there is a strong likelihood your universal credit will be stopped.

One rule is that one of their staff will be appointed as your 'work coach'. They will set you a list of tasks and other things they expect you to do. This covers everything from the amount of time you have to spend looking for more or better paid work, and proving you have done this, to attending meetings with your coach.

EUROPEAN CITIZENS

If you're an EU, EEA or Swiss citizen, you and your family usually also need settled or pre-settled status under the EU settlement scheme to get universal credit.

The deadline for applying to the scheme was 30 June 2021 for most people, but you might still be able to apply. Please check to see if you can.



WE CAN HELP

If you need help or have any questions about universal credit, other benefits, or rent payments, call housing manager Asif Mahmood or housing assistant Priscilla Adjei Asante on ☎ 020 7704 2324, option two or email info@barnsbury.org