

Universal Credit (UC)

Introduction

Universal Credit (UC) is a new benefit which is being introduced gradually across the country. This factsheet explains what UC is, who will claim it, and gives information about some of its key features. If, after reading this factsheet, you would like more information about UC and/or to know whether it will affect you, please contact the Welfare Rights Service for advice – see end for details.

1. What is Universal Credit?

Universal Credit is a new means-tested benefit for working age people. People are considered to be working age until they reach the current women's pension age, which is also the age at which men and women can claim Pension Credit. This age is currently 63, but it is gradually increasing. For further details go to www.gov.uk/calculate-state-pension

Universal Credit will eventually replace the following six benefits:-

- Income-based Jobseeker's Allowance (ibJSA)
- Income-related Employment and Support Allowance (irESA)
- Income Support (IS)
- Housing Benefit (HB)
- Child Tax Credit (CTC)
- Working Tax Credit (WTC)

These benefits are called the 'legacy benefits'. When Universal Credit has been fully rolled out across the country (currently predicted to be by 2022) none of the legacy benefits will remain

for working age people (except for Housing Benefit for some people in supported accommodation). It is important to note that there are just six legacy benefits, as above, and that nearly all other benefits are remaining unchanged.

An exception is pensioners' benefits, which will be changed to make sure that pensioners who receive any of the above benefits will still receive help – the details of these future changes for pensioners are not yet available.

2. Universal Credit in Royal Greenwich

Universal Credit began for a few claimants in our area in early 2016 under the "live service" which is only available to single childless jobseekers

However, from January 2018, the "live service" has been closed for new claims. This means that people living in Royal Greenwich cannot currently claim UC and should claim legacy benefits instead.

People who are already on UC under the "live service" will stay on the new benefit unless they choose to give up their claim and go back to legacy benefits. You should get advice from the Welfare Rights Service before choosing to end your UC claim.

In October 2018, the UC "full service" is coming to Royal Greenwich. Under the "full service" all new claimant groups will claim UC rather than legacy benefits.

The rollout timetable will be as follows:

- from October 2018 - Woolwich Jobcentre Plus;
- from October 2018 – Bexleyheath Jobcentre Plus;
- from July 2018 – Forest Hill Jobcentre Plus.

People who are already getting legacy benefits will not need to do anything. These can continue until they are migrated to UC by the DWP or have a change in circumstances that would involve them making a claim for another legacy benefit. Migration of legacy benefits claimants to UC is not due to start until 2019 and is due to be completed by 2022.

3. Who can claim Universal Credit – general rules

Under the UC ‘full service’ people in a range of different situations will claim UC. This will include people who are not in work (people looking for work, people who are sick, carers, lone parents) and people who are in work but on low incomes.

Many of the UC rules are copied from the legacy benefits. For example, someone who is claiming UC because they are looking for work, will have to be available for and actively seeking work in the same way as current JSA claimants. The incapacity assessment method for a person who is unfit for work because of ill-health or disability will be the same as the current ESA method. Most income that a UC claimant has from other sources (eg earnings) will be assessed in the same way as it is currently for the legacy benefits; there will be the same rules about what counts as capital. The rules from Housing Benefit about what is rent, the maximum help that a tenant can get, and whether someone can be treated as responsible for paying rent, also continue to a large extent

There are, however, some key differences between UC and the legacy benefits. Here are some of the main changes:-

- UC is administered by the Department of Work and Pensions. At present, HMRC administer tax credits and local authorities administer HB..
- UC is calculated and paid on a monthly basis in arrears. There is no annual reconciliation (as there is currently with tax credits) and in the case of couples, benefit is paid to one person in the household. The single monthly payment includes any help towards rent.
- There is a capital limit of £16,000. People with more than this cannot get UC (unless some of their capital can be ignored, as in existing rules). The same capital limit currently applies to ibJSA, irESA, IS and HB. It does not, however, apply to claims for Child or Working Tax Credit.
- It is not necessary to report changes in earnings for UC, as the DWP will use HMRC's real-time information system. People will not have to claim a separate benefit if they move in or out of work, and there are no rules linked to the number of hours worked.
- Claimants and their partners who are not in work will be required to make a ‘claimant commitment’ which will set out what requirements there are in relation to capacity for work and personal circumstances. The requirements are similar to those which currently apply to legacy benefits, except that they will apply to all of the UC payment, and in some circumstances (for example lone parents with younger children) they are higher.

In addition, people in work but earning less than a set amount will be required to have a claimant commitment about the efforts they will make to increase their hours and/or earnings.

For the first group of claimants in Greenwich – single jobseekers – the claimant commitment is the same as the current JSA requirements. There may still be sanctions if a claimant does not meet their agreed commitment (in which case

you may need to request a hardship payment – ask JCP for information or ring our advice line).

- The benefit cap will be applied to the full UC payment whereas claimants getting legacy benefits only have the benefit cap applied to their Housing Benefit, meaning that in some cases they may still receive total benefit income above the cap level.

4. How to claim UC when the “full service” arrives

It is expected that most people will claim Universal Credit online. To begin a claim for UC go to:-

www.gov.uk/apply-universal-credit

Before you begin your online application for UC, make sure that you have to hand key information including national insurance number(s), your postcode, details of the bank, building society or credit union account that you want UC to be paid into, your tenancy agreement (if you have one), details of your savings and any income or other benefits that you, or your partner, have coming in. If the online claim process is inactive for 20 minutes it will time out, and you will have to start again. You also cannot store an application that is half-done, so do make sure you have all your details to hand. The DWP estimates that the claim may take up to 40 minutes so you should allow plenty of time, especially if you do not use computers regularly. Make sure you answer the questions fully and include the full details of your rent.

In a few circumstances a UC claim can be backdated, and for up to a maximum of one month.

If you need help with the online claim process, ring the DWP Universal Credit helpline:- 0800 328 9344 (or textphone: 0800 328 1344).

There is also the option of making your claim online at the local Jobcentre, where there will be help available. In exceptional circumstances,

there will also be help for people who cannot manage online claims at all.

If you are concerned that you may struggle to budget on UC, remember that Jobcentre Plus can refer you to a partner organisation for budgeting support. You can also request a referral if you feel that it would help.

Royal Greenwich is working with Jobcentre Plus to make sure that there will be support for residents who need help to make and manage UC claims. Two Royal Greenwich Services are also able to assist residents who with making Universal Credit online claims:-

- **The Point** in Woolwich New Road (people aged 16-19) - Monday to Friday from 9am - 5pm;
- **GLLaB** at The Old Library in Calderwood Street, Woolwich (people aged over 19) – Monday to Friday 9.30am - 4.30pm.

5. Universal Credit payments

The government has announced that, from February 2018, claimant will no longer have to serve a seven day waiting period at the beginning of their claim. However, the fact that benefit is paid a month in arrears still means that there will be a wait of approximately five weeks between a claim and the first payment of UC.

When you receive the payment it will include help towards your rent, if you qualify for this. If you find it difficult to manage keeping up your rent payments you can request an 'Alternative Payment Arrangement' (APA). Under an APA the UC you get towards your rent can be paid directly to your landlord. Usually you will need to be two months' in arrears with your rent payments to have an APA, but you may also be able to have an APA if your arrears are less but you are finding managing the payments difficult.

From April 2018, if you are getting Housing Benefit when you claim UC, the Housing

Benefit will continue for the first two weeks of the UC claim.

Budgeting advice is available for UC claimants. If you would like this, tell Jobcentre Plus and they will refer you to Royal Greenwich's Welfare Reform Team.

If you are waiting for your first payment of UC and are in hardship you may be able to get an advance payment of benefit. You can receive up to 100% of your UC award within five days of the claim. The advance is interest free and will have to be paid back from your UC award over a period of twelve months.

You do not need to have been awarded UC, but it must be likely that your claim will succeed. You can ask for an advance payment at your first UC interview at the local Jobcentre Plus office. If you have already had your interview, you will need to contact the UC Helpline to apply (0800 328 9344).

There is no automatic entitlement to an award. You will need to show that there would be a serious risk to your own health and/or safety (or to a member of your immediate family) if a payment was not made. You must also have no other funds or support available – you will be asked to provide a bank statement to prove this. We understand that benefit advances will not be awarded until you have attended your first Jobcentre Plus interview and will not be backdated. The maximum amount of an advance will be half of your expected UC payment, and current DWP practice is to make one advance only (although this is being challenged).

If you are vulnerable (for example because you have a health problem or disability) contact your local Jobcentre Plus office and ask for an **urgent appointment** with the AJACS team.

The DWP are currently refusing UC benefit advance claims if they are made within 3 working days of one month after you claimed UC (this is still at least 10 days before you will be paid). Leading advice agencies believe this is

legally incorrect and recommend that you get further advice if you are refused on this basis. However, since this is what is currently happening, try to avoid this problem by claiming sooner rather than later.

If you are refused a benefit advance, ask Jobcentre Plus for a referral to the Greenwich Foodbank or check whether the Royal Greenwich Emergency Support Scheme may be able to help you: www.royalgreenwich.gov.uk

6. How is Universal Credit calculated?

The amount of UC you get will depend on your circumstances. It may include allowances for housing, children, childcare, disability, and for a carer.).

Single jobseekers aged 25 or over will receive £317.82 per month plus an amount towards their monthly rent. Assuming no additional amounts apply for disability or caring, the monthly benefit for this group of claimants will be the same as the equivalent payments on the legacy benefits of ibJSA and Housing Benefit.

As UC Full Service is rolled out, this will allow claims from all claimants so will include claims with couples, children, claimants in work/self-employment, and people who have ill-health/disability and/ or are carers. This is expected to be from October 2018 (see part 2).

If your circumstances change, you will need to notify the DWP and they will adjust your monthly UC payment. If you become a UC claimant you should make sure that you understand which changes you are required to notify, and how they will affect your benefit. Ring the Welfare Rights Service for further details about this.

The two child limit

From April 2017 the government has introduced a two child limit on the amount of support provided through Child Tax Credit (CTC) and UC.

For UC, this will mean that additional support is no longer provided for third and subsequent children. (For CTC this is slightly different and only applies to children born on or after 6 April 2017).

There are some exceptions for multiple births, and children living with family or friends who are unable to live with their parents and are at risk of being taken into care, and children born as a result of rape or non-consensual conception. Ring the Welfare Rights Service for more details of this.

Under the UC "full service", families with three or more children will be prevented from claiming UC until January 2019 and will be directed to claim CTC and other legacy benefits instead,

7. What will happen to help with Council Tax?

Council Tax Support (which used to be called Council Tax Benefit) is now a locally run scheme. If people are also claiming Housing Benefit, both claims are worked out by Royal Greenwich, as the Council pays Housing Benefit on behalf of the DWP. Royal Greenwich will keep their own Council Tax Support scheme and there will still be help for some UC claimants, depending on their circumstances. Royal Greenwich will work closely with the DWP to ensure that people claiming UC do not miss out on any help with their council tax to which they are entitled.

8. What should I do to get ready for claiming UC?

It is important to remember that many people will not be claiming UC for some time, and will continue to claim the legacy benefits. However, UC will be very different to those benefits so it is worthwhile preparing for the change before you have to claim UC.

Since it is expected that UC claims will be made and managed online, it will help if you can improve your computer skills, if necessary. Royal Greenwich libraries have computers that residents can use and can also advise about what training is available – call in to your local library for more information.

If you don't already have a bank account, get advice about opening a basic bank account or an account with a credit union. Managing one monthly payment, instead of several separate payments may be a challenge, especially if it includes the money towards your rent. Talk to your landlord in advance about how you will make arrangements to pay your rent.

If you think you may struggle to manage your money on UC, or if you need advice about debt or money matters, there are organisations that can advise you. See the end of this factsheet for some details. Get advice as soon as you can – don't wait until you have to claim Universal Credit.

9. Not happy with a decision?

If you wish to challenge a DWP decision, you first need to ask the DWP to reconsider the decision (this is called a mandatory reconsideration).

It is important not to delay asking for a reconsideration: you only have one month from the date of the decision to do this. It is best to do this in writing if you can. If you request a reconsideration over the phone, keep a record of the date and time of your call and the name of the person you spoke to. The time limit can be extended up to thirteen months in some circumstances.

It's important to note that, if your request for a mandatory reconsideration is turned down because it is late, you still have the right to appeal to an independent tribunal against the disputed decision.

The DWP will telephone you to discuss the disputed decision and will invite you to submit any additional evidence. If they do not change the decision, they will send you two copies of the notice stating their reasons. You will need these to appeal to HM Courts Service.

Appeals

If you are still not satisfied once you have received a written decision on your mandatory reconsideration, you can then appeal directly to HM Courts Service (HMCTS). The time limit for this is **one month** from the date of the mandatory reconsideration decision although you can put in a late appeal for up to thirteen months from the date of the decision

You or your representative will need to appeal in writing. It is best to use the SSCSI appeal form to ensure that you provide all the necessary information for your appeal (including one copy of the mandatory reconsideration decision notice). Download the form at:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/181311/SSCSI.pdf

10. Where to get advice

Royal Greenwich Welfare Rights Service

Contact the Royal Greenwich Welfare Rights Team for more information or to check if you are missing out on tax credits or benefits:

- Public Advice Line 020 8921 6375 (textphone 18001 020 8921 6375)

Or visit:

www.royalgreenwich.gov.uk/benefits:

- to send an enquiry
- to do an online search for other advice services in the borough.

Royal Greenwich Advice and Benefits Service (dealing with Council Tax Support and Housing Benefit claims)

- 020 8921 4900 (textphone 18001 020 8921 4900),
- The Woolwich Centre, 35 Wellington Street, Woolwich SE18 6HQ or the Eltham Centre, 2 Archery Road, SE9 1HA
- Email: benefits@greenwich.gov.uk

- Go to the Royal Borough website to download a form:

www.royalgreenwich.gov.uk/benefits

Royal Greenwich Housing Aid Centre (for residents needing housing advice or at risk of homelessness)

- 020 8921 2618 (textphone 020 8921 2636)
- The Woolwich Centre
35 Wellington Street
Woolwich SE18 6HQ
- Email: housing-options-support@royalgreenwich.gov.uk
- Website:
www.royalgreenwich.gov.uk/housing

Royal Greenwich Local Labour and Business (GLLaB)

- 020 8921 2440
- The Old Library, Calderwood Street, Woolwich SE18 6QW
- Monday to Friday 9.30am - 4.30pm

Royal Greenwich - The Point

- 020 8921 8224
- 47 Woolwich New Road, Woolwich SE18 6EW
- Monday to Friday from 9am - 5pm;
- For people aged 16-19

Greenwich and Bexley Credit Union

- 21 Calderwood Street, Woolwich SE18 6QW
- 020 8855 4344
- Email: enquiries@gbcreditunion.com
- Website: www.gbcreditunion.com

For independent advice about debt and money matters:

Greenwich Money Advice Service

- 020 8309 8646

Call to arrange an appointment

- Email: moneyadvice@greenwichcab.org.uk
- Website: www/greenwichcab.org.uk/gcab/bureaux/greenwich-money-advice-service.aspx

Meridian Money Advice

- 020 8293 3432

Call to arrange an appointment.

- Keepers Cottage, St Alfege's Church Hall, St Alfege Passage, Greenwich SE10 9JS
- Email: admin@meridianmoneyadvice.org.uk

The Money Advice Service

Online advice, guides and calculators to help you manage your money, plus telephone and online advice.

- 0300 500 5000
Monday to Friday 8am to 8pm,
Saturday 9am to 1pm
- Website: www.moneyadvice.service.org.uk

National Debtline

National organisation providing free, independent and confidential debt advice.

- 0808 808 400
Mon-Fri: 9am-9pm; Sat 9.30am-1pm
- Website: www.nationaldebtline.org.uk

If you would like to receive this information in an alternative format (for example in large print or Braille), please contact us on 020 8921 6375.

Please note: This factsheet was last updated in January 2018



Welfare Rights Service

Woolwich Centre
35 Wellington Street
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Telephone 020 8921 6375
Textphone 18001 020 8921 6375
www.royalgreenwich.gov.uk