



# PotteriesGold

## Benefits and the Budget

Yesterday's Budget had some **good news** and some **bad news** for people claiming benefits and tax credits.

This week, we'll be looking at what 2021 has in store if you get **UC** or **Tax Credits** and what happened to the **£20 uplift**.

There were other changes too, which we'll explain in more detail in future weeks.

Some measures are **time-limited** so, on the back page, we've put together a **timeline** to show you **what's happening** and when.

### KEEPING THE LIFELINE - FOR NOW!

Despite pressure to make the **£20 uplift** to UC and working tax credit permanent, the Chancellor has extended it for just **six more months**.

And there was **no uplift to legacy benefits** like Income Support and ESA...



#### To switch or not to switch - that's still the question!

Andy is a lone parent with two young children. He works part-time, earning **£13,500 per year**. He claims **Child Tax Credit** of **£119.14 per week**.

Right now, his family would be about **£14 per week better off** on **Universal Credit**, but UC rates will be **cut in the autumn**. He would then be about **£6 per week worse off**, and he might have to make a **Claimant Commitment** to look for more or better-paid work.

## BUDGET BENEFITS TIMELINE

### APRIL 2021

**£500 payment** one-off payment with **Working Tax Credit** but **£20 per week uplift removed**.

UC advances to be recovered over **24 months**, not 12.

Max. deductions from UC reduced to **25%** of standard allowance.

### JUNE 2021

**Single room rate rent restriction** in UC and **HB removed** for under **25s** who are **care leavers** or have spent **3 months** or more in a **homeless hostel**.

### JULY 2021

**Minimum Income Floor** earnings rules for UC to resume.

### October 2021

**£20 uplift** to **Universal Credit rates** due to end.

**Normal working hours requirements** for **Working Tax Credit** resume.

**Furlough scheme** due to end

### April 2022

**Surplus earnings threshold** for UC reduced from **£2500** to **£300**.



## WORKING TAX CREDIT CREDIT CHANGES

The **2021/2022** tax year seems to start well if your tax credits are currently worked out including **Working Tax Credit (WTC)** elements, as you will get a **£500 one-off payment**.

This is instead of getting the extra six months **£20 per week** uplift to people getting Universal Credit.

You do not have to repay the **£500** payment if you later **stop qualifying** for **WTC** or **swap to UC**. But expect your **regular payments** to be **lower from April**, as the **£20 per week uplift** is ending.

After furlough ends, from **October 2021**, you will need to be working the usual **minimum hours per week** to keep **WTC**:

- **30 hours** for a single person or couple without dependent children,
- **24 hours** for a couple with dependent children and **one works 16+ hours**,
- **16 per week** for a lone parent, disabled worker or member of a couple where the other is not expected to be in work.

If you are not working these hours by then, you qualify for **Child Tax Credit only**.

Always **get advice** before deciding to swap to UC, as you **cannot go back to tax credits** once you make a UC claim.

**Potteries Gold** is a **Citizens Advice Staffordshire North & Stoke-on-Trent** project to help people in Stoke-on-Trent cope with changes to the benefit system

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