



# PotteriesGold

## New Year, New Benefit?

### Will Universal Credit work for You?

Almost everyone of **working age** making a **new claim** for a **means-tested benefit** now claims Universal Credit.

But you can also choose to **swap to it**, from Tax Credits or '**legacy**' benefits like Income Support, Housing Benefit and Income-based Jobseeker's Allowance.

That decision isn't just about money. There are **key differences** between Universal Credit and the benefits it replaces, and these might be every bit as important as whether you get more or less benefit.

This newsletter looks at some of these, but do get more advice before you opt to swap.

### SIX INTO ONE.

Universal Credit is replacing these

#### **Legacy Benefits:**

- *Income Support*
- *Income-based JSA*
- *Income-related ESA*
- *Housing Benefit*
- *Child Tax Credit*
- *Working Tax Credit*

If you claim any of these now, one day you might have to claim Universal Credit instead.



### One Claim for Everything!

Well, not quite - you still make a claim to your council for **Council Tax Reduction**.

However, instead of having **separate claims** for JSA, Child Tax Credit and Housing Benefit, your claim for UC provides benefits for you, your partner, your children and your rent.

And you stay on UC through **changes of circumstances** that used to mean making new claims. Unfit for work to working, caring to job-seeking - whatever the change, if your income is low enough to need a boost from benefits, your UC claim carries on.

## UNIVERSAL CREDIT - MORE DIFFERENCES FROM LEGACY BENEFITS.

### Monthly Money Management

Universal Credit is usually paid **calendar monthly**, in arrears. You usually have to wait five weeks or more from making your claim to receiving your first regular payment, although **advances** are available. You should get your payment on the **same day each month** which could help if you pay bills by **direct debit**, often the cheapest way. Your payment, which usually includes your rent, may look like a lot of money, but it has to last 30 or 31 days. If budgeting monthly is difficult, get money advice and ask about **alternative payment arrangements**.

### Capital Punishment!

Universal Credit has a capital limit of **£16,000**. Savings over **£6,000** reduce your benefit. For each **£250** (or part of £250) between £6,000 and £16,000, you are treated as having **£1 per week** of unearned income. This is the same as Jobseeker's Allowance, Income Support and Housing Benefit.

However, there is **no capital limit** for **Tax Credits**. Instead, your *actual income* from your investments is counted. If you are getting Tax Credits now, but you expect your savings to go above £16,000, perhaps due to a redundancy payment, do not claim UC. **You will not qualify** and you **cannot swap back to Tax Credits**.

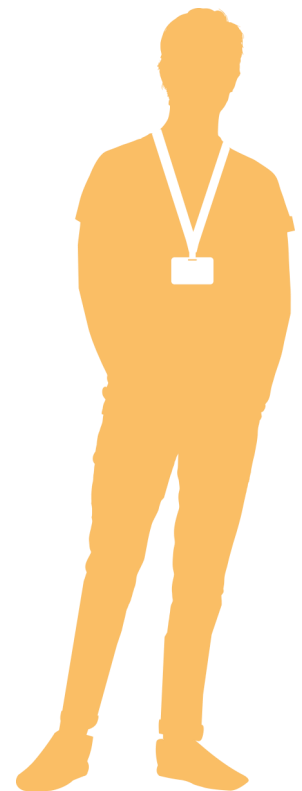
### The (Claimant) Commitments

If you get Child Tax Credit and Housing Benefit, but not Jobseeker's Allowance or Employment and Support Allowance, find out more about making a **Claimant Commitment** before switching to UC.

This is the **contract** between you and the DWP and lays out what you have to do in return for your benefit. Unless you are a full-time carer or seriously disabled, you might have to **look for work**, or for **more hours** or **better paid work** if you work part-time.

There is nothing like this in CTC or HB; these just compare your income with what the Government says you need to live on.

Follow our Twitter or Facebook news-feeds in the New Year for some case-studies, to help you decide if you want to claim UC now. But don't forget these crucial differences from your old benefits.



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

« **Benefit Talks for your community group** «  
**Pop-Up Benefit Advice** «

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