

Universal Credit Information

What is Universal Credit?

Universal Credit is a new benefit that will affect working age individuals, this will be a single payment from the Department of Works and Pensions.

Universal Credit will replace 5 current benefits with a single payment, made just once a month, straight into a bank account.

If you get any of the following benefits, you will in time be moved onto Universal Credit:

- **Income-based Jobseeker's Allowance**
- **Income-related Employment and Support Allowance**
- **Income Support**
- **Housing Benefit**
- **Tax Credits**

Why are these changes being made?

Currently certain benefits are paid on different days of the week, some are paid weekly, fortnightly, or every 4 weeks. As an employee when you are working, you may receive a monthly salary. Some Individuals say they find it hard to manage with a monthly payment, and budget around a single monthly payment.

It is expected that by having a monthly benefit payment the shift into work will be much easier. You **won't have to** make different benefit claims as you return into work as it will all be done through the same system, and your benefit payment will be adjusted in line with your earnings. Any applications for Universal Credit or changes to your claim or circumstances must be reported online.

When will Universal Credit affect me?

Universal Credit has already been rolled out in Birmingham Dudley and Sandwell. Initially Universal Credit will currently only apply to new single applicants with no children, so many of our residents will not be affected in the early stages. This will be followed by single applicants already on benefits who register a change in their circumstances. Eventually all new claims will go directly onto Universal Credit, expected to be around 2017. All current benefit claimants will be transferred onto the new system after this. This mass migration is not expected to take place until 2019.

How will it affect my Housing Benefit?

Currently most tenants choose to have their housing benefit paid directly to their landlord. Under the new system, Housing Benefit will **cease to exist and instead there will be a "housing element" within** the Universal Credit payment. This will go directly to the benefit claimant who must then ensure their rent is paid to their landlord, by setting up a method of payment.

Some things you can do to prepare for Universal Credit:

Make sure you have a bank account

To receive Universal Credit payments, you will need a bank or building society account, or an account with an alternative provider such as a credit union.

If you don't have a bank or building society account, or you want to check that the one you have is suitable for Universal Credit, read *The Money Advice Service's guide, Choosing a bank account for your benefit payment* or visit www.moneyadviceservice.org.uk.

If you live with your partner, **and you're both eligible for Universal Credit, you'll get a single monthly** payment which can be paid into either a joint or an individual account.

To find out what changes you need to make and whether you need a joint account or a sole account, please read the following:- in *The Money Advice Service's guide Joint Universal Credit payments for couples*.

Check whether you can set up Direct Debit / Standing Order payments

If you get help with your rent, this will be included in your monthly payment, you will then need to pay your landlord yourself.

If you have a credit union account or a prepaid card account, check that you can set up Direct Debit or Standing Order payments for things like rent and **bills. If you can't, consider opening a basic bank** account, or find a different provider.

Draw up a monthly budget

Universal Credit will be paid monthly, you may need to make changes to the way you budget, especially when you move from the current system.

You will need to work out how much money you will have coming in each month, and what you need to spend it on. You can get an estimate of how much **Universal Credit you'll be entitled to, including how much better off you'll be in work, by visiting** www.policyinpractice.co.uk and using the Universal Credit calculator. You can also ask to be referred to Sandwell Financial Services Hub, which is a useful service that can offer you help your budgeting skills.

Make sure you have access to the internet

You will be expected to claim Universal Credit and manage your account online.

If you need help getting online, your local library can help you to find a course. Most libraries and Job Centre Plus offices also have computers which are usually free of charge to use. Our reception area has free of charge access to the internet which our residents can use open 9:00am – 3:00pm.

Contact your Income Team

They will signpost you to local help and advice sessions, or speak to COMPASS our in house welfare benefit advisors who can give you advice, call 0121 289 3916 or 0121 289 3915 for further information.

Where can I get help?

The Government's website, Money Advice Service is an excellent source for budgeting help and information on the types of financial accounts available and what might be best for you in your circumstances visit www.moneyadviceservice.org.uk.
