

Universal credit

By 2022, anyone who is working age and claims the benefits below will be moved to the new system called **Universal Credit**: Income Support, Housing Benefit, Working and Child Tax Credits, Employment and Support Allowance (ESA), Jobseekers Allowance (JSA)

In theory, it's simpler, with one benefits instead a mix of these six, and most people will have no problems, but many people have struggled.

In West Dunbartonshire claimants will start to move over to Universal Credit from November 2018.

What is Universal Credit?

Almost everything is different about Universal Credit (UC) compared to the old system:

- It is paid monthly, in arrears, and the first payment is at least five weeks after you make your first claim
- Payments include any housing costs that **Housing Benefit** used to cover, so **you become responsible for ensuring rent is paid.**
- Claimants receive one payment, not only for each of the benefits listed above, but for all claimants living at the same household
- The claim has to be managed **online**
- Almost all claimants will need a bank account that receive electronic payments and, if you're wise, handle direct debits so you don't need to keep thinking about rent payments and the bigger bills
- When working, you don't lose your benefits pound for pound, there is a 'tapered' approach and some people can earn over £409 before anything is deducted from UC payments

10 things you need to know

The following are issues that those on Universal credit have raised and things that we can help you with through our advice and support service that are available from the Association.

Below are the ten headlines Universal Credit claimants have highlighted as being the main concerns they had about UC. Have a think about which ones might apply to you. Don't panic! There are people who can help and it's easier when you go into things with your eyes open, which is probably the best advice we could give you about Universal Credit.

1. COMPLEX CASES

The worst thing we've heard is that the more problems someone has, the more likely it is that the computer will say 'no'! Anyone who needs or receives support for health or housing issues, for example, should talk to us or an independent welfare rights adviser and see if they can get advice and help. Too many complex claims have 'tripped' and had to be restarted, causing delays to the first payment... of a month or two or more, so any questions contact us.

2. BANKING ON IT

Claimants have said that just three in five of them use a bank account. The rule of thumb is that a regular account, or a Basic Bank Account, helps ensure Universal Credit payments come through, and payments go out, without a hitch. So you must get a bank account, (**see the 3 B`s later on in this document**)

3. ID, ID, ID

So many people don't have a good set of ID documents. There is no reason why you should have to have a passport or a driving licence but it seems the government assumed everyone does. You'll need ID to start a Universal Credit claim... and to get a bank account, if you don't have one. Certain forms of ID are not accepted, such as mobile phone bills or provisional driving license. ID that is accepted can be confirmed with you.

4. EARLY BIRDS CATCH THE WORM

People whose claims get delayed have often put off getting ready for Universal Credit until it happens. Try to prepare and understand how to make the move onto the new benefit system easier, and start working through the things you need, (ie, everything on this page), as soon as you realise Universal Credit will affect you

5. SAVE TO BORROW

Here's the best example of why you need prepare early. Although claimants can ask for an advance while they're waiting for their first payment, repayments are then deducted from future payments. Saving, especially with a Credit Union if you have one locally, means you can build a buffer to fall back on and also organise a loan to tide you over while moving to monthly payments in arrears. Best started as soon as possible.

6. DIGITAL

One in five (21%) people had no access to the internet. Almost all Universal Credit claimants need to make and manage their claim **online**. The government wants everyone to use the web and you can fight the power but you'll probably struggle to receive Universal Credit on time. The Association can assist you with getting on-line and has computers in its offices that can be used to help claimants access and manage their claims.

7. BALANCING THE BOOKS

Making sure you have more coming in than going out is a straightforward exercise. More important is knowing what to do if this won't be the case. With Universal Credit, earning more is an option but cutting other costs is the usual place to start. We can help with budgeting advice and also point you in the direction of welfare rights advisers who can assist with any claims or money and debt advice.

8. GOING WITHOUT

The minimum period Universal Credit claimants will wait for their first payment is five weeks. Any previous Housing Benefit claim will continue for two weeks but then you need to discuss how you will manage your rent. Talk to us and we will assist you to avoid problems associated with rent arrears. You need to plan ahead.

9. BEING HUMAN

It is the human condition to freeze when facing trouble but it's the worst thing when it comes to money. Getting informed and preparing ahead is the best plan but find help if you need it once it comes to the crunch. Too many people have waited until they receive a letter from us mentioning eviction. We are here to help where we can. If you do not engage with us then we cannot help you.

10. TAKE ADVICE

Don't ignore offers of advice, seek help if you are struggling to understand the process of managing your universal credit claim. Do not ignore letters or contact from your landlord, more often than not they can help you avoid the pitfalls of managing your claim, and more importantly if you work with them, avoid arrears action or in the worst case scenarios repossession action.

What to do next

If you are worried: **Don't get stressed, get informed.**

Read through the information here, write down all the questions you have and contact us and we will help answer any concerns that you have. Be prepared.

THE 3 B`S

OF UNIVERSAL CREDIT

The following is a guide to what you will need to do to prepare for a move over to Universal Credit. It is essential that you are ready for the transition from your old benefits to the new. This guide will hopefully help you.

Banking: You will need a bank account or similar that allows you to receive electronic benefit payments. Ideally, you will be able to make direct debit and standing order payments, which means your rent can be paid automatically without you worrying about it. If you have a bad credit history, most people can still get a Basic Bank Account but you need to know what you're asking for. You also need ID, which you might need to make your UC claim too, so it's worth getting this organised as early as possible.

Budgeting: UC claimants receive any of all the six benefits listed at the beginning of this newssheet, in one monthly payment and in arrears. This includes your rent money, if you previously claim Housing Benefit, and claimants say their biggest challenge is keeping this safe when there are so many things to pay out for. UC takes a while to set up and because it's paid in arrears, there is a minimum 6-7 week wait for the first payment but many report waiting 3 months. To stay on top, it is best to plan a budget – all your money coming in and going out each month. You may find you need to cut back or, if there's time, start saving to tide you over while awaiting the first payment. Saving regularly with a credit union (who may help you with a budget) could mean you could get a small loan to help you through the weeks without payment.

Being Online: to claim and manage UC, you have to be online. You will need an email address and know how to use it. You will need access to a PC, a tablet or a smartphone (although forms on these are fiddly) and you'll need to know how to use these too. If you need help, contact us and we will help you learn how to use a computer and the internet and help you organise your online Universal Credit account.