

# UNIVERSAL CREDIT EXPLAINED

A benefits briefing from The ME Association

by Ann Innes

**U**niversal Credit (UC) is a payment to help with your living costs. It's normally paid monthly and you may be able to get it if you're on a low income, out of work or cannot work because you are disabled.

It is a relatively new, non-taxable benefit for people of working age that has been introduced to replace means tested benefits (excluding Council Tax Reduction, which is still claimed separately via your local authority).

UC is in its infancy and legislation is changing all the time. Therefore, please be aware that the information in this leaflet, whilst correct at time of writing, could go out of date at any time.

For the very latest information you can access the Govt. website here: <https://www.gov.uk/universal-credit>

Means-tested benefits are those benefits awarded to households on a low income with savings and capital below £16,000.

The means-tested benefits UC has replaced are:

- Income support (IS);
- Income-based jobseeker's allowance (IBJSA);
- Income-related employment and support allowance (IRESA);
- Housing benefit (HB);
- Child tax credit (CTC)
- Working tax credit (WTC).

This means that if you are making a new claim or if you are currently on any of these benefits and have certain changes of circumstances, you will be asked to claim UC instead of the old 'means-tested' equivalent.

Universal Credit will normally be paid monthly in a single payment, directly to the person making the claim. If you think you will have a problem managing your money, you can ask for fortnightly or even weekly payments. You can also ask for your rent to go straight to your landlord.

It will be at the DWP's discretion as to whether they allow these requests. So any written evidence from a health professional to back up your reasons for needing help managing your finances or for rental payments to your landlord, would be useful to submit with your request.

## CAN I CLAIM UNIVERSAL CREDIT?

**You must be of working age.** This usually means you must be over 18 but under pension age to claim. However, in some circumstances it is possible to claim from age 16. For example, people estranged from their parents or who are disabled may be able to claim from 16 years of age.

From 15 May 2019, if you are in a couple and one member is below and the other above pension age, the couple will no longer be able to claim pension credit until they have both exceeded working age and will instead have to claim Universal Credit (if they meet the eligibility criteria).

**Your savings and capital must be under £16,000.** Savings and capital include any cash, money in accounts or other savings or capital you might have but excludes the home in which you live.

**You must be on a low income.**



This guide to Universal Credit was written by Ann Innes, (pictured above), consultant welfare rights adviser to The ME Association.

Ann has been supporting people with ME/CFS to claim the benefits they are entitled to since 2012 – when she was employed by the Stockport ME Group.

She is now in private practice helping disabled people access benefits, social care support, appropriate housing and other services.

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**You must not be in education** unless you are a parent, disabled student or a young person on a non-advanced course (e.g. A-levels, GCSEs, NVQs, etc). For a full list of non-advanced and advanced courses, please follow this link to the relevant page at the UK Government website: <https://tinyurl.com/y2gx58nb>

**You must not already be in receipt of Severe Disability Premium.** This is because there is currently no equivalent amount in UC. People who currently receive a severe

disability premium, or who had entitlement to the severe disability premium in the month prior, will not be able to claim Universal Credit until they are subjected to 'natural migration' – i.e. moved from ESA to Universal Credit between July 2019 and 2023.

Severe disability premium is usually paid as a top-up to ESA for those who live alone and are on middle-rate DLA or any rate of the daily living component of PIP. It has to be claimed for.

Your ESA award letter should contain a breakdown near the end showing how your ESA award is made up and whether it includes severe disability premium.

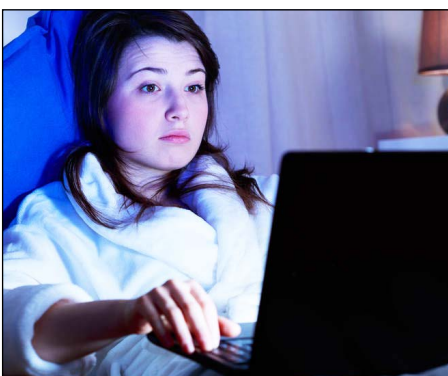
There is a third requirement to receive severe disability premium; no one must be receiving Carers Allowance against the enabling benefit.

Other enabling benefits for receipt of severe disability premium are Attendance Allowance and Armed Forces Independence Payment.

**You must live in the UK, without being subject to immigration control**, and have been habitually resident here. For more detail about the habitual residence requirement, follow this link to the Citizens Advice website: <https://tinyurl.com/yxzrfys8>

**You can claim UC regardless of the number of children you have.** You'll be entitled to an additional amount for any child born before 6 April 2017 up to a maximum of two children. Universal Credit will no longer pay you an additional amount for a third or subsequent child born on or after 6 April 2017, unless special circumstances apply.

For more information: <https://tinyurl.com/y9e3zal5>



## HOW DO I CLAIM UNIVERSAL CREDIT?

**Claim Universal Credit online** via this link to the UK Government website: <http://tinyurl.com/hnye6gq>.

You will enter your postcode and then be asked a series of questions about your living circumstances, income, health, etc.

If you are claiming as a couple, you will be expected to make a joint claim in one of your names.

If you are unable to reliably attend regular appointments at set times, make it very clear that you have a condition that affects your ability to take part in work-related activities.

**If you are on PIP**, you can add what rates you are on when asked for additional information. If you receive PIP mobility and scored eight points or more for moving around, make it clear that you have already been assessed as being unable to reliably and repeatedly mobilise 50 metres. Also make it clear why you would be unable to self-propel a manual wheelchair further than 50 metres repeatedly, reliably and safely.

Once you have answered the questions, you can verify your identity online. You will need proof of ID such as a passport, driving licence or credit card (certain bank cards are not accepted).

You will then be given a **Universal Credit online account**, which will give you access to your 'online journal'. You are expected to check this every day for information about things you may need to supply or appointments you may need to attend.

If you encounter any difficulties with the online account, your journal or with payments, you can call the UC helpline on 0800 328 5644.

You will be required to accept a **'claimant commitment'**. This sets out what the DWP will ask of you so you can keep receiving your benefit.

If you have a health condition, this may include attending **regular appointments at the Jobcentre** with

a work coach until you have been assessed as having limited capability for work or work-related activity.

Before your first appointment, it would be a good idea to ask one or more of the professionals involved with your care to produce a report based on the Employment and Support Allowance descriptors. Use the following link to download a form to fill in with your details: <https://tinyurl.com/ybbnbn7b>

Send a copy to UC but keep the original for your own records.

Take photocopies of the completed form and any other medical letters or reports to your first appointment. Use these to illustrate to your work coach how your condition affects you and what you can and can't do to look for or prepare for work.

### **After about five weeks, you should receive your first payment of UC:**

However, this may take longer in some cases. Payments will be made to you in arrears, calendar monthly.

When you made your online claim, if you stated that your health condition affects your ability to look for work, you should be sent a UC50 form which is very similar to the ESA50 medical questionnaire. It will ask you to comment on your ability to carry out the same descriptors as in the ESA50. A copy of the UC50 form is available here: <https://tinyurl.com/y2223mr7>

Remember that you need to explain your ability to do the activities in the descriptors **reliably, repeatedly and sustainably**, as would be required for you to carry out work-related activity. Please refer to our guide on claiming ESA for more detailed information as to how to answer these questions.

Supply any medical information you can to back up what you have said. For example, the questionnaires referred to earlier in this section or reports that you took to your initial interview with your work coach.

Please ensure you write your name and National Insurance number on the top of every page you send in, even if the pages are all part of one document. Send in copies, not the originals, and send everything special delivery guaranteed to get there the next day.



After about three months, you will then be assessed as having either limited capability for work or limited capability for work-related activity.

Limited capability for work means that you will have scored 15 points overall on the UC descriptors, as opposed to scoring 15 points on one single support group descriptor (see our ESA guide for information on the point-scoring system).

You will be expected to undertake 'work-related activity' to help you 'prepare for work'. This will be specified by your work coach and could be things like work skill courses at times specified by the DWP. Failure to do so can result in a sanction (reduction of benefit for a specified period).

So it is crucial that you get the right support when completing your UC50 form because, if you are found to have limited capability for work, you may then be expected to do activities that your health condition may not allow or that may worsen your M.E. If you are found to have 'limited capability for work-related activity' you will not be required to undertake work-related activity.

If you have paid enough National Insurance contributions in the last three years, you may also be entitled to claim New Style ESA. This replaces contribution-based ESA. You can no longer make a new claim for contribution-based ESA (existing claims will continue).

To claim New Style ESA, contact 0800 328 5644 Monday to Friday, 8am-6pm. For further information, visit: <https://tinyurl.com/y5n5rarx>

Just as with the old system of ESA, where you could claim income-related and contribution-based ESA at the same time, you can also claim Universal Credit and New Style ESA at the same time and it is advisable to do so.

People claiming both UC and New Style ESA should not be asked to complete an ESA50 and a UC50. However, there is no guarantee that this will be the case and I have had clients that have been asked to complete both.

Please refer to our guide on claiming ESA for more detailed information as to how to answer these questions: <https://tinyurl.com/ya98b5jz>

## HOW MUCH MONEY WILL I GET?

Universal Credit is calculated depending on each individual's circumstances in any one assessment period. An assessment period is one calendar month and starts from the date you claim, if you are eligible.

If you are one in a couple, your partner's circumstances are also taken into account.

### UC is made up of the following 'elements' for each circumstance:

- A standard amount.
- An amount for those responsible for children or young people.
- An amount for those with a disabled child or children.
- An amount for an ill or disabled adult.



- An amount if you care for someone for 35 hours a week or more.
- An amount for housing costs.
- An amount for childcare costs.

## I AM IN FINANCIAL HARDSHIP

You can request a 'short-term advance' within five days of your initial claim, or following a change of circumstances.

- You can request any percentage of your estimated entitlement.

■ This is a discretionary payment, meaning that you have no automatic entitlement to a short-term advance, and you must be able to prove you are in financial hardship.

- You will have to repay this monthly at a rate of 15% out of your award (25% if you have earnings) once you have received your reward.

■ You have 12 months to pay off the advance. From October 2020, this will increase to 16 months.

■ You can also request a budgeting advance to meet one-off expenses, for example to obtain employment, eg a CRB check or interview expenses. You can also request a budgeting advance for items such as furniture or a deposit on rented accommodation. You would have to have been receiving either UC or a means-tested benefit for six months or more prior. Repayment terms are the same as for the short-term advance.

■ Applications for advances should be made via your online journal or through our work coach at Jobcentre Plus.

■ If you were on Housing Benefit immediately before claiming UC, you will be entitled to two weeks more of housing payments benefits while you are waiting to receive UC.

■ If you have been given a sanction, you may be able to get a hardship payment. Ask at the Jobcentre or contact 0345 608 8545.





## WHAT IF I DISAGREE WITH A DECISION?

You have a right to appeal against entitlement decisions, sanctions and overpayment amounts. But you must submit a 'Mandatory Reconsideration' letter first stating the grounds for your appeal. Ideally, you should seek professional advice in compiling this.

You have one calendar month from the date of a decision to appeal.

It's vital to make sure your work coach understands your health limitations in order to avoid a sanction. Try to obtain medical evidence about your functional difficulties – that should always be helpful.

If you are sanctioned, you can ask for a mandatory reconsideration of that decision if you can show that there was 'good cause' for you not to have carried out what your work coach required of you.

This would be best done in writing and supported by strong medical evidence. For more detail about this, visit the Citizens Advice website: <https://tinyurl.com/y3avob7b>

You may also want to talk to your work coach about changing your 'claimant commitment'. Again, the Citizens Advice website has a lot more information about this: <https://tinyurl.com/yypauxxv>

## WHAT CHANGES DO I NEED TO TELL UNIVERSAL CREDIT ABOUT?

There are a host of things that you must tell Universal Credit about in order to ensure that you continue to get the correct amount of benefit.

Changes of circumstances must be reported straight away to avoid any over- or under-payment. Failure to report a change straight away could result in a £50 fine.

If you cannot report it straight away, make sure you do so

before the end of your monthly assessment period. This period runs from the date in the month that you made your initial claim.

If you notify the DWP of a change in circumstances that could lead to a decrease in benefits, this will be backdated to the month the change occurred, regardless of the month you tell them.

If you notify the DWP of a change that could lead to an increase in your benefit and you do so in a later assessment period, the payment will only be applied from the start of the assessment period in which you notified the change.

### Here are a few examples of the changes you will need to inform Universal Credit about as soon as they happen:

- If you have between £6,000-£16,000 in capital or in savings, you will need to inform Universal Credit every time your capital or savings (including cash) increase by £250 or part thereof. You can do this via your online journal. For every £250 in savings that you have over £6,000, the DWP will treat this as additional income of £4.35. This continues for every further £250. This will affect the amount of Universal Credit you are paid.

- Any changes to income. Things that count as income include earnings, profit from a business or property, or occupational and personal pensions. If you are uncertain whether something counts as income, it is always better to declare it to the DWP and let them decide, or seek professional advice. With income such as pensions, you are required to inform Universal Credit every time your pension increases, even if it is just the usual annual increase.

- Any changes to your health condition that may affect whether or not you would be eligible as having limited capability for work or work-related activity.

- Any changes in your health that might result in you missing an appointment with your work coach – you must show 'good cause' in order to avoid a sanction

(a significant reduction in your benefit for a particular length of time). This should be backed up with medical evidence from one of your health professionals – ideally a GP, consultant or specialist ME nurse.

- Any changes to bank account details, address, telephone number, work or living arrangements.

- If your partner or child goes into hospital for more than six months.

- If you are going on holiday. You will still be expected to attend any work-related appointments requested by the DWP (interviews, meetings with job coach, etc) and comply with any work-related directions you may have received from your job coach (job search, etc) while on holiday – even if it means cutting your holiday short. You are not permitted to go away for longer than four weeks (six months if you are going abroad for 'medically approved' care, convalescence or treatment of you, your partner, child or a qualifying young person).

A fuller list of changes that need to be notified immediately to Universal Credit can be found here: <https://www.gov.uk/universal-credit/changes-of-circumstances>.

## CAN I DO ANY PAID OR UNPAID WORK WHILE ON UC?

Work is encouraged as part of UC. There is no time limit on how many hours or how long you can work for as there was with ESA.

If you are found to have 'limited capability for work' (the equivalent to the work-related activity group in ESA) you will be given a 'work allowance'. This is the amount of money you are allowed to earn without it affecting your Universal Credit total amount.

If your UC includes an amount for housing costs, then this amount will be £198 a month (£287 from April 2019).



This may also be the case if you are responsible for a child of 16 or under (some exclusions apply). In all other cases, it will be £409 a month (£503 from April 2019).

If your earnings go over this amount, 63% of this amount will be deducted from your UC. The same applies to those not entitled to a work allowance, but their whole earnings are taken into account.

If your earnings end up higher than your UC, your UC will stop. However, should your earnings drop below this level, you should be able to claim UC again. If you were on the disability element of UC within six months of your reclaim, you should be put straight back on it without having to wait three months for a reassessment.

If you do voluntary work, this will cut the number of hours the DWP expect you to look for or prepare for work.

## MOVING FROM INCOME-RELATED ESA TO UC

If you are on contribution-based ESA, which is dependent on your National Insurance record and is not means-tested (ie can be paid regardless of you or your partner's savings and income with some exceptions, e.g. pensions will affect the amount awarded), then you will continue to receive contribution-based ESA.

If you are already on a means-tested benefit and do not have certain changes of circumstances, you will be moved on to Universal Credit by December 2023 as part of a programme called 'managed migration'.

### BE AWARE

Rules and regulations relating to the eligibility and payment of Universal Credit are still being discussed and changed. The information in this leaflet is correct at the time of publication. The UC website should have details of any changes that have been made later: <https://www.gov.uk/universal-credit>

It is estimated that this will begin in July 2019 with 10,000 people being moved over. It is thought that people won't be moved in great numbers until 2020. You can decide to claim Universal Credit instead of your existing means-tested benefits if you meet the eligibility criteria.

If you were previously in the support group or work-related activity group of ESA, you should be able to get the disability element of UC straight away when you are moved over.

If you are in the support group, this effectively means that, when you are moved to UC, you shouldn't have to attend appointments at the Jobcentre with a work coach.

A move from ESA to UC does not necessarily spark a reassessment of your capability for work, unless you were due for a reassessment.

### Changes of circumstances that could lead to you being asked to claim UC include:

- Moving in or out of work.
- Being no longer able to meet the requirements of your current means-tested benefit, for example your health declining to the point where you can no longer meet the conditions for JSA.
- Moving to a different local authority area that would trigger a new claim for help with housing costs.
- Being a lone parent and your youngest child reaching five years of age.
- Having a child.

If the change would result in a new claim having to be made, as in the other examples above, that is where a change would trigger a move to UC. However, if the change affects the amount of your existing benefit, it shouldn't trigger a move to UC.

### Examples where a change wouldn't trigger a move to UC include:

- A worsening or improvement in your condition where you may be asking to move from the work-

related activity group of ESA into the support group or vice versa.

- Previously being on one tax credit (i.e. child or working) and becoming eligible for the other.
- Moving address within the same local authority that is currently paying your housing benefit would not result in being asked to claim UC.

If you have already moved to UC from ESA and lost your Severe Disability Premium as a result, the DWP have agreed to provide an ongoing payment – backdated to the date you moved across. Contact your work coach at Jobcentre Plus or the Universal Credit helpline for further details.

## DISABILITY PREMIUMS

If you are already in receipt of a severe disability premium as part of your ESA, there is no equivalent in UC so you will not be able to claim UC at present until you are moved over.

The government have proposed that for those who have already moved over from ESA to UC and lost their severe disability premium, they will receive a 'compensatory amount' to reflect some of the loss they have already incurred. Going forward, they will then receive an amount in their UC as 'transitional protection' to meet the ongoing loss.

Those recognised as having limited capability for work will be fully compensated for the disability premium they have lost.

However, those who have limited capability for work-related activity (the equivalent of the support group under ESA), will at present be over £100 per month worse off under Universal Credit as the compensatory amount will not meet the full amount of the severe disability premium lost.

The Child Poverty Action Group launched a legal challenge to this ruling on 8 February 2019.

THE ME ASSOCIATION



# ME CONNECT

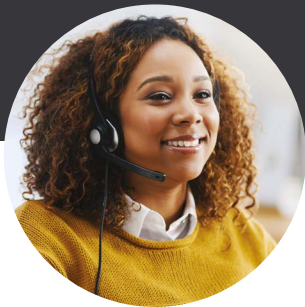
The Support and Information Service  
for people affected by ME/CFS/PVFS  
and Long Covid

3 WAYS TO GET IN TOUCH:  
by phone, email  
or social media private message



**Freephone**  
**0808 801 0484**

For opening hours visit:  
[meassociation.org.uk/me-connect](https://meassociation.org.uk/me-connect)



## HERE TO LISTEN

We are here to listen, validate and empathise with any issues you might be facing.



## VITAL SUPPORT

We are here to help you reach an informed decision.



## SAFE ENVIRONMENT

We provide a safe, confidential and understanding environment where you can be heard and understood.

*We're here for you!*



[MEConnect@meassociation.org.uk](mailto:MEConnect@meassociation.org.uk)



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