Universal Credit – a practical guide to claims for Age UK information and advice workers – July 2017

Glossary

* **APA** – alternative payment arrangement
* **DHP** – discretionary housing payment
* **ESA** – Employment and Support Allowance
* **JSA** – Jobseeker’s Allowance
* **PC** – Pension Credit
* **UC** – Universal Credit
* **WCA** – Work Capability Assessment

Contents

* [Introduction](#introduction)
* [Upper age limit for claiming Universal Credit](#upper_age)
* [Is my client in a Full Digital service area?](#full_digital)
* [Mixed-age couples/ Who will UC affect/PC age claimants](#mixed_age)
* [Online claiming](#online)
* [Initial interview with work coach](#interview)
* [Claimant commitment](#commitment)
* [Claiming UC with contributory ESA or contribution-based JSA](#contributory)
* [First payment issues/ UC advances](#first_payment)
* [Conditionality and sanctions](#conditionality)
* [Changes in circumstances](#changes)
* [Reporting a death of partner](#death_of_partner)
* [Transfer from legacy benefits to UC due to change of circumstances](#transfer)
* [Overpayments](#overpayments)
* [Benefit cap/bedroom tax](#benefit_cap)
* [Rent arrears, APA’s and DHP’s](#rent_arrears)
* [Supported housing](#supported_housing)
* [Money management/budgeting](#budgeting)
* [Third party support for initial claim and claim maintenance](#third_party)
* [Escalation routes/numbers](#escalation)
* [Appointees](#appointees)
* [Complaints/Mandatory Reconsideration/Appeal](#complaints)
* [Useful resources](#resources)

Introduction - This resource is intended to help advisers and their clients who need to claim Universal Credit to understand some of the key changes introduced under the new system as well as highlighting pitfalls and what needs to be done if things go wrong. You can see the latest Universal Credit news in our monthly benefits briefing in [Inform and Advise](http://theloop/Interact/Pages/Section/SubAbrvOne.aspx?subsection=5525) on the Loop.

It concentrates on [the Full Digital Universal Credit service](https://www.gov.uk/guidance/universal-credit-full-service-and-live-service), which is currently being rolled out across the country. The government estimates that this roll-out programme will be completed by September 2018.

The [Live Universal Credit service](http://revenuebenefits.org.uk/universal-credit/guidance/who-can-claim-universal-credit/live-service-areas/), which is subject to [gateway conditions](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/587852/admm3.pdf) restricting who can claim, has already been rolled out to all Jobcentre Plus regions – due to the gateway conditions, very few older people are affected by this version of Universal Credit, hence why this resource looks at the Full Digital service which will affect many more older people over time.

Universal Credit replaces six current means-tested benefits and tax credits:

* Child Tax Credit (CTC)
* Income-related Employment and Support Allowance(ESA)
* Housing Benefit (HB)
* Income Support (IS)
* Income-based Jobseeker’s Allowance (JSA)
* Working Tax Credit (WTC)

In the Full Digital service areas, there can be no new claims for any of these benefits or tax credits. Everyone below Pension Credit age must instead claim Universal Credit instead, regardless of their circumstances, age, work status or health conditions. There are some exceptions to this general rule as follows:

* HB claims are permitted for people in specified accommodations e.g. sheltered housing schemes, etc
* CTC/WTC/HB claims are permitted for people who have reached PC age, or mixed age couples where at least one person has reached this age
* A claim for the “*other*” Tax Credit can be made if someone is already in receipt of CTC/WTC
* Renewal CTC/WTC claims can be made for people already in receipt in Full Digital Service areas.

For more information about Universal Credit, including how it is calculated, see the [Citizens Advice website](http://www.citizensadvice.org.uk/benefits/universal-credit/)

# Upper age limit for claiming Universal Credit

In the Full Digital roll-out areas of Universal Credit, the upper age limit for claiming is the [qualifying age for State Pension Credit](https://www.gov.uk/state-pension-age). This is steadily rising with pension age equalisation between men and women until they both reach 65 in September 2018.

For claimants in live service areas, the upper age limit is 60 years and 6 months, due to the gateway conditions.

# Is my client in a Full Digital service area?

You can check whether your client lives in a Full Digital service area using [an online tool](http://universalcreditinfo.net/). All you need to do is enter your client’s postcode and the tool will tell you whether they are in the Live or Full Digital service area.

# Mixed-age couples/ Who will UC affect/PC age claimants

Currently, mixed-age couples (where one member of the couple is over State Pension Credit age and the other is under) still have the choice to claim Pension Credit instead of Universal Credit, regardless of whether they live in a Live or Full Digital Service area. In almost all cases, it is financially beneficial for anyone so entitled to claim Pension Credit instead of Universal Credit.

The government states that once the roll-out of the Full Digital Service is complete (current estimate September 2018), mixed-age couples will be prevented from claiming Pension Credit and will have to claim Universal Credit instead, until both members of the couple attain Pension Credit qualifying age. The working age partner is subject to the appropriate level of conditionality and work search according to their circumstances.

A mixed-age couple already claiming Pension Credit at the changeover date will be unaffected and can remain on Pension Credit. Such a couple can also [claim Housing Benefit and/or Tax Credits](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/534895/adm14-16.pdf) instead of Universal Credit (see para 14 and 15 of the linked document).

# Online claiming

Most people in Full Digital service areas are expected to make their [Universal Credit claim online](https://www.gov.uk/apply-universal-credit). As part of this process, [an online accoun](https://www.gov.uk/sign-in-universal-credit)t is created with a unique user name and password that should only be known by the Universal Credit claimant. This is because the account holds a great deal of personal information including National Insurance number, bank account details and so on.

Clients who find it difficult to use the online claim or who do not have access to the internet can request assistance from the [local Jobcentre Plus office](http://los.direct.gov.uk/default.aspx?type=1&lang=en). There may be other locations locally, such as libraries or internet cafes, that can be used, but extra care must be taken around security because of the personal information necessary and held in the online journal.

Alternatively, claims can be made by telephone in some circumstances through [the Universal Credit helpline](https://www.gov.uk/universal-credit/how-to-claim). This is also the number to use for clients who want to request alternative formats, such as braille, large print or audio CD.

An online account is created and it is likely that the client will be asked to supply further information to a work coach at a personal meeting at a Jobcentre Plus office subsequently, in order to finalise the claim. In exceptional circumstances, if someone is unable to claim online or through the telephone, the Department for Work and Pensions (DWP) may make a home visit to initiate a Universal Credit claim. The local authority may have support services for people in this situation as well as other support services such as help with budgeting.

Note, a [DWP Minister has recently stated](https://goo.gl/1wQeSM) that “*the DWP has a home visiting service which we can extend to all disabled claimants who ask for it when their circumstances make it difficult for them to go to a jobcentre*”.

All subsequent interactions between the claimant and DWP are intended to take place through the online account. It is good practice to take screen shots of all transactions entered through the journal and save these, to avoid later disputes.

# Initial interview with work coach

Anyone who makes a Universal Credit claim is required to attend an interview with a work coach before a decision is made about their entitlement. The interview will usually take place at a local Jobcentre Plus office.

The role of a work coach is to ask Universal Credit claimants to sign a claimant commitment setting out the steps they will take to seek work, if required to, and to take any further evidence necessary to decide the claim. DWP say Universal Credit claimants will generally have the same work coach for the duration of their claim.

# Claimant commitment

[The claimant commitment](https://www.gov.uk/government/publications/universal-credit-and-your-claimant-commitment-quick-guide/universal-credit-and-your-claimant-commitment) is a basic condition of entitlement to Universal Credit. Both the claimant (and their partner if they have one) must agree and sign a claimant commitment setting out the steps they will take in seeking work. These can include attending work-focused interviews, doing work preparation such as drafting a CV or attending training, undertaking work search activities and availability for work.

In general, your Universal Credit claim will not be decided until you agree and accept your claimant commitment – DWP guidance says you should be given a 7-day cooling-off period if you refuse to sign, to give you the chance to reconsider. If you refuse to sign a claimant commitment, your Universal Credit claim will be refused.

If a client is unhappy with the contents of their claimant commitment, it may be advisable to sign it anyway, so that the UC claim itself can be decided and then request the work coach to vary the contents later on.

# Claiming UC with contributory ESA or contribution-based JSA

If someone claims Universal Credit because they have lost their job or become too sick to work, and has paid sufficient National Insurance contributions, they may be entitled to contribution-based Jobseeker’s Allowance or contributory Employment and Support Allowance as well as Universal Credit.

In these cases, they must initiate a claim for Universal Credit as above. They should also request a claim for what is called [New Style Jobseeker’s Allowance](https://www.gov.uk/guidance/new-style-jobseekers-allowance) or [New Style Employment and Support Allowance](https://www.gov.uk/guidance/new-style-employment-and-support-allowance) either through their online journal, during the telephone claim process, or at the first interview with their Work Coach.

Problems have been reported with starting these claims alongside Universal Credit claims so they may need to ask about this on more than one occasion until they receive a formal decision about any entitlement they may, or may not, have.

# First payment issues/ UC advances

A key aspect to be aware of with new Universal Credit claims is that there is an in-built gap of six weeks between the date of the initial claim and the first payment being made. This is because there are 7 waiting days at the start of any new UC claim during which time no payments of Universal Credit are made, followed by a 4-week assessment period, followed by a further 7-day period during which entitlement is calculated and then payment made.

Obviously, for many people, this causes problems, particularly in respect of the housing element of Universal Credit that goes towards rent payments, but also broader budgeting issues for paying bills, buying food, etc. For people struggling to make the transition, it is important to know about [Universal Credit advance payments](http://www.cpag.org.uk/content/ask-cpag-online-%E2%80%93-universal-credit-advances).

A Universal Credit advance is a recoverable advance payment, paid to you in certain circumstances where you are in [‘*financial need’*](http://www.cpag.org.uk/stba/financial-need). The intention is to provide you with a small advance payment of benefit, which you must repay, to provide financial support for a limited period. Universal Credit advances are payments that it is considered you will be entitled to, but are like a loan as you must repay the advance back, although you do not have to pay interest.

# Conditionality and sanctions

Universal Credit claimants are usually expected to meet work-related requirements as a basic condition of receiving the benefit. These can apply to people who are working, who are not working at all, or who have impairments or ill-health conditions, or caring responsibilities. There are no specific relaxations of these conditions related to someone’s age.

There are, however, a limited amount of people who do not have any conditions attached to their claim. For those people that do have conditions attached to their Universal Credit claim, any failure to meet those conditions can lead to a [sanction of their benefit](https://www.gov.uk/universal-credit/if-your-payment-is-stopped-or-reduced). A sanctions means their Universal Credit is paid at a reduced, or even nil rate, for a period of time, depending on the nature of their failure to comply and whether they have received a sanction previously. See [avoiding and challenging Universal Credit sanctions](http://www.cpag.org.uk/content/ask-cpag-online-avoiding-and-challenging-universal-credit-sanctions), for more information.

## Work related requirements

These include:

* Work focussed interviews
* Work preparation
* Work search
* Work availability

Which work related requirements apply depend on the individual circumstances of the claimant.

All work related requirements can be imposed through the claimant commitment if the exceptions listed below do not apply. In this case, the requirement for work search has a default expectation of undertaking 35 hours a week.

Unless the claimant specifically agrees a lower amount of work search with their work coach, this is the amount of time every week that they will be expected to prove that they have been looking for work. If they fail to show they have done 35 hours in a week, their benefit can be sanctioned.

Note the DWP state that anyone submitting a medical certificate to say they have a limited capability for work with a new UC claim can be still be subject to all work-related requirements until such time as a work capability assessment (WCA) has been undertaken and a decision made as to whether they are accepted as having a limited capability for work. Whilst waiting for the WCA to take place, the only option is to request a relaxation of the requirements from the work coach.

## Exceptions to all work-related requirements

No work related requirements can be imposed if the claimant is:

* a recent victim of domestic violence
* assessed as having limited capability for work *and* limited capability for work-related activity (i.e. people in the ESA “*support group*”)
* entitled to Carer’s Allowance, or would be if claimed, due to looking after a severely disabled person
* looking after a child aged under one year
* working and earning at least your individual earnings threshold (e.g. 35 hours a week at National Minimum Wage)

Work-focused interview only if the claimant:

* looks after a child aged between one and three years old
* is a foster parent
* became a friend or family carer of a child aged under 16 years in the last 12 months and is the responsible carer for them

Work focused interview/work preparation requirements only if the claimant is:

* assessed as having a limited capability for work (i.e. people in the ESA “*work-related activity group*”)
* a responsible carer for a child aged three or four years old
* in work but does not work sufficient hours and/or earn sufficient wages

All the above requirements can be relaxed in certain prescribed situations, for example, following bereavement, in cases of domestic violence, short periods of sickness etc. For more information see [Claimant commitment: what work-related activity group you should be in](https://www.citizensadvice.org.uk/benefits/universal-credit/interview/claimant-commitment-what-group/)

# Changes in circumstances

[Changes to circumstances](https://www.gov.uk/universal-credit/changes-of-circumstances) that may affect entitlement to UC must be reported through the online account or by calling the UC helpline. When the change takes effect depends on whether entitlement increases or decreases, and also what elements of the Universal Credit award are affected by the change. The general rule is that a [supersession decision](https://www.citizensadvice.org.uk/benefits/benefits-introduction/problems-with-benefits-and-tax-credits/challenging-a-benefit-decision/challenging-a-dwp-benefit-decision-on-or-after-28-october-2013/changing-a-benefit-decision-by-revision-and-supersession/changing-a-dwp-benefit-decision-by-supersession/) is made that takes effect from the first day on the monthly assessment period in which the change occurred, or is expected to occur.

A change of circumstances that is advantageous is usually only backdated to the start of the assessment period in which it is reported. Changes in earnings paid by an employer are usually notified to DWP by HMRC and may not need to be reported – however, it remains the responsibility of the claimant to notify these changes and if mistaken earnings figures are used to calculate that monthly payment, any resulting overpayment can be recovered from the claimant.

# Reporting a death of partner

The death of a partner must be reported to [the UC telephone helpline](https://www.gov.uk/universal-credit/how-to-claim). The online account does not currently have functionality to record this change in circumstances.

Regulations provide that when a partner dies, the Universal Credit award is calculated as if they had not died for the monthly assessment period in which the death occurs and the two following monthly assessment periods.

# Transfer from legacy benefits to UC due to change of circumstances

If someone living in a full digital area has a change of circumstances and was either claiming a legacy benefit, or tries to make a new claim for a legacy benefit, they are instead directed to claim Universal Credit instead. The rules are very complicated depending on their exact situation. This guide to [What triggers a claim for Universal Credit in a ‘full service’ area?](https://www.newcastle.gov.uk/sites/default/files/wwwfileroot/benefits-and-council-tax/welfare-rights-and-money-advice/what_triggers_a_claim_for_universal_credit_in_a_full_service_area_1.pdf) helps explain the various different possibilities.

# Overpayments

If someone claims Universal Credit (or new style contributory ESA or JSA) and is overpaid, any amount of overpaid benefit can be recovered regardless of the cause of the overpayment. [Overpayment decisions](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206533/UC-JSA-ESA-overpayments-customer_guidance-cop1-june13.pdf) can be challenged on the following grounds only:

* whether an overpayment has happened
* the amount of the overpayment, or
* the period of the overpayment

Overpayments are recovered at set statutory amounts from on-going Universal Credit payments, or other benefit payments, or through earnings, or by court order.

# Benefit cap/bedroom tax

[The benefit cap](https://www.citizensadvice.org.uk/benefits/the-benefit-cap/the-benefit-cap-what-you-need-to-know/) and [the bedroom tax](http://england.shelter.org.uk/get_advice/universal_credit/housing_costs_under_universal_credit) both apply to Universal Credit claims.

# Rent arrears, APA’s and DHP’s

Universal Credit has a default position whereby payments for housing costs connected to rent are always made to the tenant. If someone is struggling to cope with their budget and as a consequence, falls behind with rent payments and are in rent arrears, they can apply to have payments made directly to their landlord.

These arrangements are known as ‘*Alternative Payment Arrangements*’ (APA). Once two months of rent arrears have arisen, an application can be made to DWP requesting that payments of the housing element of Universal Credit are made directly to the landlord, until the arrears are cleared. At the stage the arrears are cleared, payments of the housing element revert to the UC claimant again.

**For private sector tenants**, their Universal Credit additional amount for housing costs is whichever is lower out of their actual costs or the Local Housing Allowance rate.

**For social sector tenants**, their Universal Credit additional amount for housing costs is their actual housing costs. This cannot include service charges that are not covered by Universal Credit or charges for utilities, such as water or electricity.

For more information on the housing element for social housing tenants, including the APA application form, see [Universal Credit and rented housing](https://www.gov.uk/government/publications/universal-credit-and-rented-housing--2).

# Supported housing

A client who lives in supported housing or sheltered accommodation (whereby the pay extra for support services over and above standard rent and/or service charges) does not have their housing costs paid through Universal Credit. Instead, currently, they can claim Universal Credit towards their standard living costs and [Housing Benefit towards their housing costs](http://www.legislation.gov.uk/uksi/2014/771/pdfs/uksiem_20140771_en.pdf).

There is an on-going [government review](https://www.gov.uk/government/consultations/funding-for-supported-housing) around the provision for payments towards this type of accommodation that is expected to make recommendations for how it will be dealt with from 2019 onwards.

# Money management/budgeting

There is an [online guide for Universal Credit claimants](http://ucpp.dwp.gov.uk/universal-credit-preparation/) that flags up some of the key changes under the new system, to try and avoid problems arising in the first place with money management and budgeting.

The Money Advice Service has an [online Money Manager tool](https://obs.moneyadviceservice.org.uk/) that offers personalised advice, on making the most of your money while you are on UC. It offers help and advice on a range of money topics, including opening a bank account, keeping on top of bills and dealing with debt. The government has an [online guide to budgeting](https://www.gov.uk/government/publications/help-with-budgeting-your-universal-credit/universal-credit-help-with-managing-your-money) when on UC and where clients can go for further advice.

# Third party support for initial claim and claim maintenance

Universal Credit operates under a system of “*explicit consent*” for advisers and other people acting on behalf of, or enquiring about, someone else’s claim. This is different from the previous arrangements under “*implicit consent*”.

DWP state that a claimant who wants a third party to discuss their claim must make a note in their online journal that permits the third party to act and specify exactly what matter(s) they are giving permission to discuss.

Current practice is that broad permissions to act are not sufficient for this purpose – so wording along the lines of “*I give A.N. Adviser permission to discuss all aspects of my Universal Credit claim*” are unlikely to be effective. Instead, it needs to specify something like “*I authorise A.N. Adviser to speak to you about the housing element of my Universal Credit and why you are not paying it to me*”.

Further, these permissions are time limited so your client needs to make an appropriate entry in their online journal each and every time they require assistance and advice from someone else. See [Neil Couling’s (Director General of the Universal Credit Programme) letter](https://www.rightsnet.org.uk/pdfs/UCFS_Welfare_Advisers_20_Jan_2017_rightsnet_upload.pdf) on explicit consent for more background information.

# Escalation routes/numbers

Universal Credit Full Digital Service does not provide a list of escalation numbers. The best way to escalate issues is to contact your UC local partnership manager. To get their contact details, contact your regional partnership manager whose details are available at [DWP National Partnership Teams](https://www.gov.uk/government/publications/dwp-partnerships/national-partnership-teams).

# Appointees

Universal Credit claimants who are unable to act for themselves can have an appointee to manage their claim, as with other social security benefits. This includes corporate appointees, where an organisation such as a local Age UK, acts on behalf of clients. See the [DWP official guidance](https://www.gov.uk/government/publications/procedures-for-dealing-with-agents-appointees-attorneys-deputies-and-third-parties) for more details (part 5 covers appointees, with section 5220 et seq dealing with corporate appointees). There is also information about Universal Credit and appointees [available here](https://www.rightsnet.org.uk/forums/viewthread/5246/) (see post #6).

# Complaints/Mandatory Reconsideration/Appeal

If you have problems with Universal Credit claims, normal procedures for making complaints, submitting [Mandatory Reconsideration](http://www.cpag.org.uk/content/ask-cpag-online-mandatory-reconsideration) (MR) requests, and [lodging appeals](https://www.gov.uk/social-security-child-support-tribunal/appeal-tribunal) with HM Courts and Tribunal Service should all still apply. If submitting a MR request through the online account, it may be helpful to screenshot the request, as there have been reports of these disappearing from online accounts.

# Useful resources

**Universal Credit helpline** [Call charges apply](https://www.gov.uk/call-charges) Monday to Friday, 8am to 6pm

Telephone: 0345 600 0723

Textphone: 0345 600 0743

**Official webpages**

Online Universal Credit claim <https://www.gov.uk/apply-universal-credit>

Online Universal Credit account <https://www.gov.uk/sign-in-universal-credit>

Beta Online Universal Credit claim tool with postcode checker <https://www.universal-credit.service.gov.uk/postcode-checker>

Universal Credit overview <https://www.gov.uk/universal-credit>

**Other webpages**

Citizens Advice <https://www.citizensadvice.org.uk/benefits/universal-credit/>

entitledto <http://www.entitledto.co.uk/help/universal-credit>

Low Income Tax Reform Group <http://www.litrg.org.uk/tax-guides/tax-credits-and-benefits/universal-credit>

Money Advice Service <https://www.moneyadviceservice.org.uk/en/articles/universal-credit-an-introduction>

Newcastle Welfare Rights Unit <https://www.newcastle.gov.uk/benefits-and-council-tax/welfare-rights-and-money-advice/upcoming-changes-to-the-benefit-system/universal-credit>

Rightsnet Universal Credit discussion forum <https://www.rightsnet.org.uk/forums/viewforum/30/>

Shelter <https://england.shelter.org.uk/housing_advice/universal_credit_housing_costs>

Turn2Us <https://www.turn2us.org.uk/Benefit-guides/Universal-Credit/What-is-Universal-Credit>