

## What is Universal Credit?

Universal Credit (UC) is a new type of financial support for people of working age (over 18 and below Pension Credit age) who are looking for work or are on a low income.

UC is intended to be simpler than the current system of benefits and Tax Credits as it is not specifically an 'in work' or an 'out of work' benefit. It is one credit for people whatever their employment status.

UC is going to replace:

- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Income Support
- Child Tax Credit
- Working Tax Credit
- Housing Benefit.

Benefits other than these (for example contribution-based JSA and ESA, child benefit, carer's allowance and council tax support) will be staying.

## Who can claim Universal Credit?

You will eventually have to claim UC if you are:

- Unemployed
- Working but are earning low wages
- Unable to work because of sickness or disability
- A lone parent aged 16 or over
- A young person aged 16 or 17 who cannot live with their parents

If you have a partner you will make a joint claim as a couple.

## What's different about Universal Credit?

### Universal Credit payments

UC will be paid in a different way to current benefits. The default is:

- It will be paid monthly into a suitable account (for example a current account, basic bank account or Post Office Card account)
- If you get help with your rent, this will be included in your monthly payment – you'll then pay your landlord yourself
- If you and your partner are both eligible, you will make a joint claim and will get one monthly payment for your household.

It may, though, be possible to set up an Alternative Payment Arrangement for your UC. The alternative arrangements that are available are:

- Paying the housing costs element of your UC direct to your landlord *and/or*
- Getting your UC payments paid to you more frequently than monthly *and/or*
- Having your UC payments split between you and your partner.