



Tenant Guide To
Universal Credit
Help2Rent Guide

Guide

Universal Credit is an in and out of work benefit. It has been introduced to give you the support you need to find and progress in work. The DWP want you to be able to benefit from all the positives that work brings. This guide will help you do that and covers the following areas:

- Universal Credit
- Your Responsibilities
- Your Commitment
- Payments, support available and earnings
- Sanctions
- Full time work search
- Conditionality, Opening up work and Taper
- Self-employment
- Help with eligible childcare costs
- Housing
- Passported and other benefits

Universal Credit

Universal Credit

Universal Credit has been introduced to replace six existing benefits.

The six benefits are:

- Child tax credit
- Housing Benefit
- Income Support
- Income-Jobseeker's Allowance JSA
- Income-related Employment and Support Allowance ESA
- Working Tax Credit

Online

Most Universal Credit claimants manage their claim through their online account. You can use your account to report changes and get support by using your journal to send messages to your work coach. Eventually, almost all Universal Credit claims will be managed using an online account. If you need some help to use the internet please talk to your work coach or case manager about the support available near you. Enquiries made via the journal will normally be responded to between 8am and 6pm Monday to Friday.

Telephone

A small proportion of Universal Credit claimants still manage their claim using the telephone service. While the Department of Work and Pension (DWP) are gradually moving these claims over to the online service, if you currently manage your claim via phone you can continue to do so until notified of any changes.

Claiming Universal Credit

Claims to Universal Credit are usually made online. You will have access to a work coach who can help you with things like finding work, increasing the hours you work and getting more prepared for when you are able to work by learning new work skills or life skills. Helping you to improve your income is central to the Universal Credit service.

Reporting Changes

How you report changes affecting your Universal Credit claim will depend on which service you use. It is important that you tell us about any changes straight away. For example, if you move address, find or stop work, go abroad or are planning to go abroad, pay for childcare for when you are working or your income or capital changes. This list is not exhaustive.

Use your Universal Credit online account to report changes by answering the questions on screen. The online service will also explain how to report changes you cannot report online at the moment.

<https://www.gov.uk/sign-in-universal-credit>

If you would like to report a change of circumstances please call the Universal Credit service centre..

Universal Credit - Service Centre Telephone:
0800 328 9344 Monday to Friday, 9am to 4pm

Textphone: 0800 328 1344
Monday to Friday, 8am to 6pm

Your Responsibilities

When you claim Universal Credit there are a number of activities you become responsible for in order to receive your payment.

- Complete work search activities for up to 35 hours per week.
- Complete a Tailored Commitment with your work coach.
- You will be responsible for paying your own rent and other housing costs.
- Reporting change in circumstances:
 - Full service - through your online account.
 - Live service - through the service centre.
- Manage your payments and budget on a monthly basis.

You may be able to get an advance to help you manage until your first payment.

For more Information: <https://www.gov.uk/guidance/universal-credit-advances>

Working part-time & able to earn more?

Are you seeking additional work and increase your earnings?

You can get more information about Universal Credit online at

www.gov.uk/universal-credit

Universal Credit - Claim

To make a Universal Credit claim, you will need:

- **An email address**
- **Your personal information**
(Name, address and phone number)
- **Details of your income and savings**
- **Bank account details**
- **Childcare costs details**(if appropriate)
- **Housing costs details** (Tenancy Agreement/rent/mortgage costs, landlord/mortgage provider details etc)
- **Internet access**
- **Proof of Identity** – Passport / Driving License / Birth Cert Etc

How to create an account for Universal Credit?


Creating an account

Signing up for Universal Credit is simple.

To register online click on the link

www.direct.gov.uk/apply-universal-credit

Enter your postcode and click on the green button that reads 'Start' to begin. Making a claim may take up to 30 minutes for a single person and up to an hour for a couple.

 **GOV.UK** **Universal Credit**

TRAINING01 External environment description

Universal Credit online

Use this service to:

- start a Universal Credit claim
- switch your Universal Credit account online
- join your partner's Universal Credit claim

Enter your postcode

[Start](#)

[▶ Don't know what postcode to use?](#)

Already got an online account?
[Sign in](#) if you already have an online account and want to return to a claim.

If you have already set up your account, select the option to **'sign in'** to your online account.

How many children live with you?

'Children' are 19 or younger, and might include:

- your own and your partner's children
- any children you've adopted
- children you're the legal guardian for

Do not include:

- foster children
- children you aren't responsible for - for example, your sister's children if she lives with you

No children live with me

1 or 2 children live with me

3 or more children live with me

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Next, you will be asked if you have any children living in your household and offered three options. Your answers will determine the questions you are asked after this.

If you answer, one or two children live with me, you will be asked for your children's details.

Should you answer three or more children, the following message will appear:

You can't get Universal Credit at the moment

You can't make a new claim for Universal Credit if you have three or more children.

You might still be able to get Universal Credit if either:

- you've claimed it in the last 6 months - [sign in to your existing account](#)
- you're joining your partner's existing claim - [create an account](#) and use your 'linking code' when asked for it. Your partner should have given you this code

You will not be able to proceed further and should consider whether you would be entitled to another benefit i.e. New Style Jobseeker Allowance

From the initial screen you can create an account, sign in to an existing account, or link accounts together using a partner code to show that you're part of a couple.

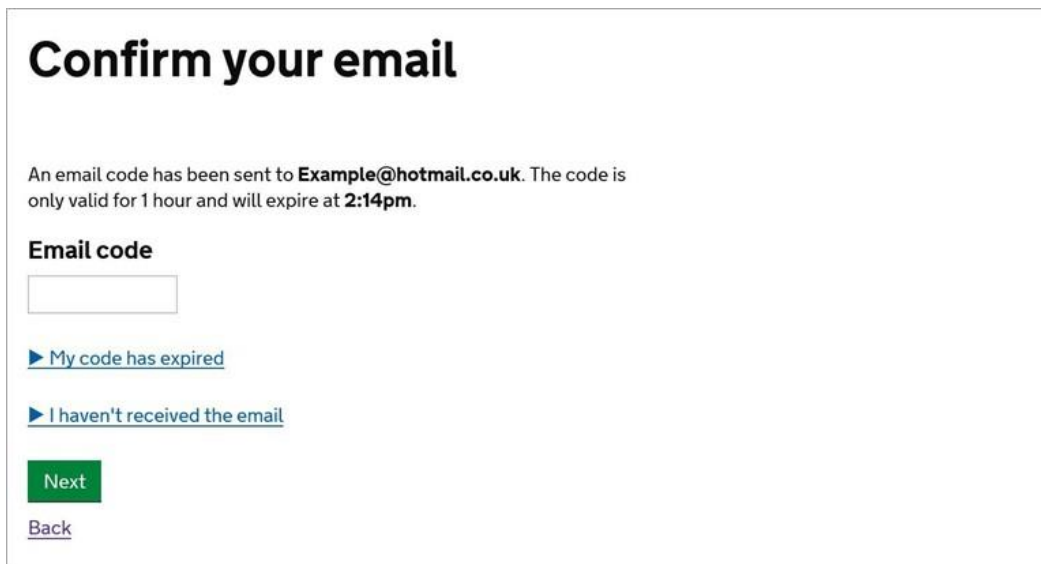
You will be asked to create a username and password as requested.

Take a note of your username and password for future use. It is important that you do not share your username and password with anyone.

You will then be prompted to choose two security questions from a range of options.

One of these security questions will be asked when you use your account in the future.

Recording your Personal Details



Confirm your email

An email code has been sent to **Example@hotmail.co.uk**. The code is only valid for 1 hour and will expire at **2:14pm**.

Email code

[▶ My code has expired](#)

[▶ I haven't received the email](#)

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You will be asked for details such as your name, date of birth and email address.

After entering in some personal details, you need to choose how you want to be contacted.

An email code will be sent to your email address. This code should be entered to confirm your email account. If your code has expired (as it is more than one hour since you requested the code) you can have another code sent to you by clicking the [My code has expired](#) link.

You will now be asked for your address details.

You have now successfully set up an account for Universal Credit; you can now make your claim. You have 28 days in which to do this, otherwise you will need to make a new account for Universal Credit.


Account created

Make a claim within 28 days or you'll have to create your account again.

You may need details of:

- housing costs and any rent agreement
- any savings and income, including other benefits
- people who live with you

If you don't have these details, you can still start your claim.

 You may be prosecuted or need to pay a penalty if you give wrong or incomplete information.

[Make a claim](#)

To proceed to the claim stage, click **Make a claim**.

Single or jointclaim?

You will now be asked whether you are making a claim as a single person or as a couple.

If you do not have partners choose **'No I'm single'** and proceed to **Step 3**.

Choose from the three options given. If you choose the first option, 'Yes, and we live together' the following message will appear:

Make a joint claim

You and your partner need to claim together. You can't claim by yourself.

What you'll get depends on your circumstances as a couple, including your incomes.

You still need to make a joint claim if your partner is working, or is in the UK on a visa.

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You will then be advised that you need to link your details with your partner's information and you will need a linking code to be able to do this. The linking code can only be obtained if your partner has already submitted

Link your details -

To make a joint claim, you need to link your details with your partner's. You need a linking code to do this.

Do you need a linking code?

If your partner has started a joint claim, they'll have a linking code for you.

Yes, give me a linking code for my partner

No, my partner gave me a linking code

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If you asked for a linking code to be provided, the next screen will offer a code for input by your partner when they make their claim to Universal Credit.

Take a note of this code as you will need it later in the claim process.

Give this linking code to your partner

Your partner will need their own Universal Credit account. They'll be asked for the code when linking to your details.

NKBM Q4GR

This code is valid until 25 September 2017.

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Making your Universal Credit Claim

Completing your To Do's

A To Do is an action that you need to complete in order to progress your claim to Universal Credit.

To Do's can be completed in any order and it is essential that each To Do is completed.

Some To Do's are reactive questions depending on the information you give. You will only be asked specific questions if they relate to you. So if you have no children in your house for example, no other questions about children will be asked.

To-do list	Journal
Nationality	
Housing	
Who lives with you?	
Work and earnings	
Savings and investments	
Income other than earnings	
Are you in education or training?	
Health	
Caring for someone	
Bank account details	

Completed items appear in your [journal](#).

By selecting the option that applies to you and pressing 'done', the To Do is completed, removed from your list and stored in your account for future reference.

Information is saved after each page so if you need to stop for any reason you can return to where you left off.

However, your claim for Universal Credit will not be finished until all your To Do's have been completed and you have declared that the information is correct.

What information is required?

Information will be requested on:

- Savings
- Earnings
- Health
- Additional benefits
- Other people living in your household
- Your living situation
- Your bank account details
- Nationality

An example of a To Do is:

To-do list [Journal](#)

i Address
This task is now complete.

Your partner still needs to set up a Universal Credit account.
They will have to enter this linking code:
NKBM Q4GR
They have until 25 September 2017.

Your partner

[Nationality](#)

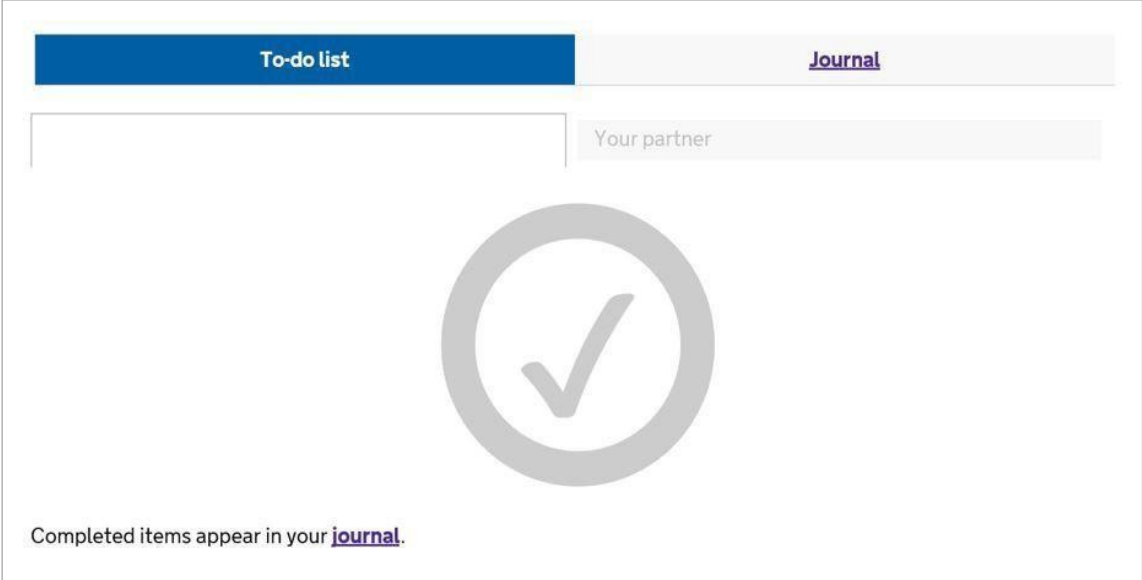
[Housing](#)

[Who lives with you?](#)

[Work and earnings](#)

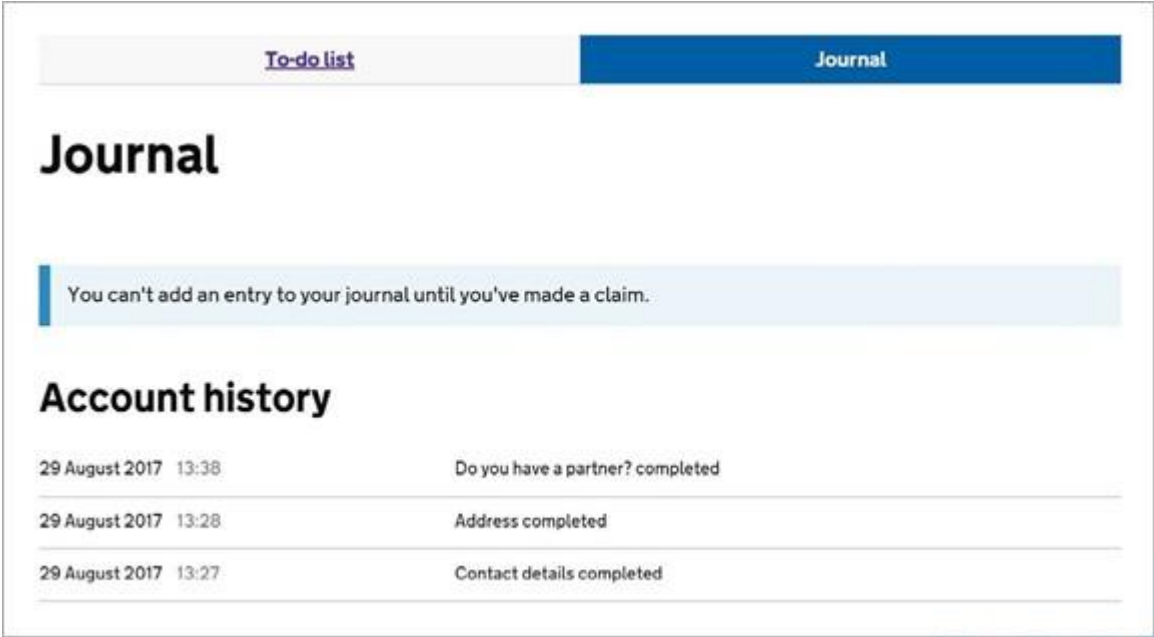
When a To Do have been completed, the following message will appear:

You will now be asked for your bank account details. You will need your bank/building society name, account holder name, sort code and account number.



When you have done this, you will be advised that this To Do has been cleared and it will be moved to your journal.

Your Journal



Your journal keeps a history of the actions throughout the lifetime of your account.

Your journal will show completed To Do's as well as messages between you and your Work Coach.

Adding a partner to your claim

If you have a partner, they now need to make their own claim to Universal Credit and link it to yours using the partner linking code provided previously. To do this you will need to sign out of your account and ask your partner to create an account or sign in if they already have an account.

Your partner should follow steps 1–3 of this instruction. They will be asked to input the linking code, your first name and postcode to ensure their account is linked to the correct account for you.

You will each have your unique username and password and you'll be able to see each other's To Do's.

Link your details -

To make a joint claim, you must link your details with your partner's.
You need a linking code to do this.

Do you need a linking code?

Yes, give me a linking code for my partner

No, I want to use the linking code my partner got

[Next](#)

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Link your accounts

Enter the linking code from your partner

Your partner's first name
Give it exactly as they did when they set up their account.

Postcode

[Next](#)

Again your partner will be asked to disclose details of their income, health, savings, nationality, housing etc.

The screenshot shows a user interface with a blue header bar containing 'To-do list' and a link for 'Journal'. Below the header is a light blue confirmation message: 'Your details are now linked with your partner's.' Underneath, there are two boxes labeled 'Partner 1' and 'Partner 2'. Below these are three sections with underlined links: 'Nationality', 'Who lives with you?', and 'Work and earnings'.

If your partner is satisfied that all the information, they have submitted is correct, they can confirm the details are correct by clicking the link highlighted.

The screenshot shows a confirmation screen titled 'Income other than earnings'. It contains two lines of text: 'Partner 1 doesn't have income other than earnings' and 'Partner 1 is not receiving Armed Forces Independence Payment'. Below this is a link: 'See full details (opens in new window)'. A bold heading asks 'Are these details correct?' followed by two radio button options: 'Yes' (which is selected) and 'No, change this'. At the bottom, there is a checkbox labeled 'I agree with the full details of my claim.' and a green 'Next' button.

Your Commitment

Both you and your partner will be made aware of your responsibilities for example, to actively look for work in order to receive Universal Credit. You will be asked to make an appointment with your Work Coach to agree your Commitment once your claim has been submitted. Your Commitment will clearly outline what will happen if you do not meet your responsibilities.

To-do list	Journal
<h2>Your responsibilities</h2> <p>Thank you, There are a few things you need to know and do before your application to Universal Credit is complete.</p> <div style="background-color: #0070c0; color: white; padding: 10px;"><p>It's important that you understand that in return for your Universal Credit payment you're agreeing to look for work.</p><p>You'll need to commit to doing everything you reasonably can to find and take paid work. Your work coach will help you agree your commitments.</p></div> <p><input type="checkbox"/> I understand these commitments</p> <p>Next</p>	

To-do list	Journal
<h2>Declaration</h2> <p>By submitting this claim, you agree:</p> <ul style="list-style-type: none">• the information you've given is complete and correct• you'll report changes to your circumstances promptly in your online account (or call 0345 600 4272 if this isn't possible) <div style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"><p>! You may be prosecuted or need to pay a penalty if you give wrong or incomplete information, or you don't report changes. Your Universal Credit can be reduced or stopped.</p></div> <p><input type="checkbox"/> I agree</p> <p>Submit claim</p>	

Your Declaration

A summary is provided of the details you and your partner have entered with an option to agree or change the details input on each individual entry.

If everything is correct, you'll be able to proceed to your Commitment which outlines the activities you need to complete in order to receive Universal Credit.

Customer Survey Questions (Optional)

You are asked to complete a few optional questions to help the Department of Work and Pensions /Communities gather information about who needed help to complete an online claim and who provided this help.

Before you continue

Help us improve the service by answering some questions. They are optional and will not affect your claim.

Did anyone help you make your claim?
For example, a family member, friend or someone from the Jobcentre or a charity.

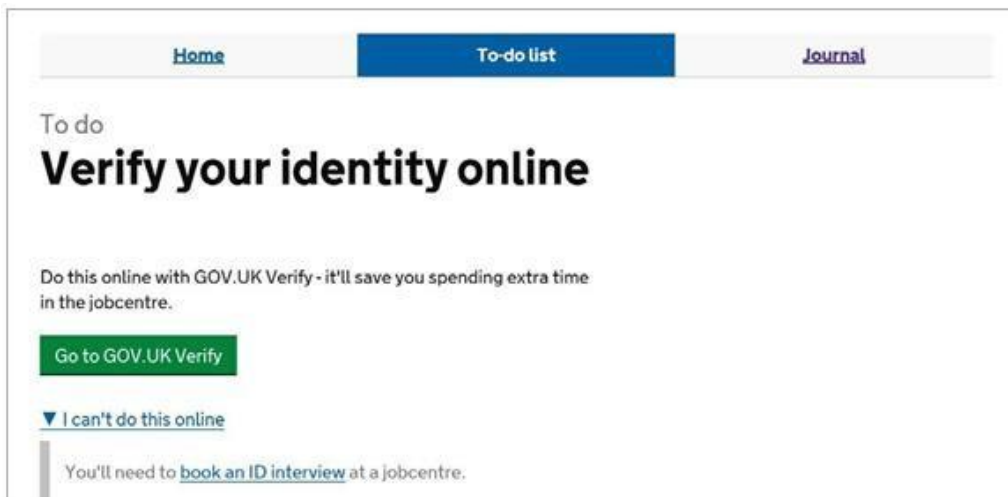
Yes No

[Skip](#)

What next?

You will now need to verify your identity, you can do this online at GOV.UK or at your local jobcentre office.

To verify online visit www.gov.uk/verify. If you can't verify your identity online, you will need to go to your local jobcentre.



Home To-do list Journal

To do

Verify your identity online

Do this online with GOV.UK Verify - it'll save you spending extra time in the jobcentre.

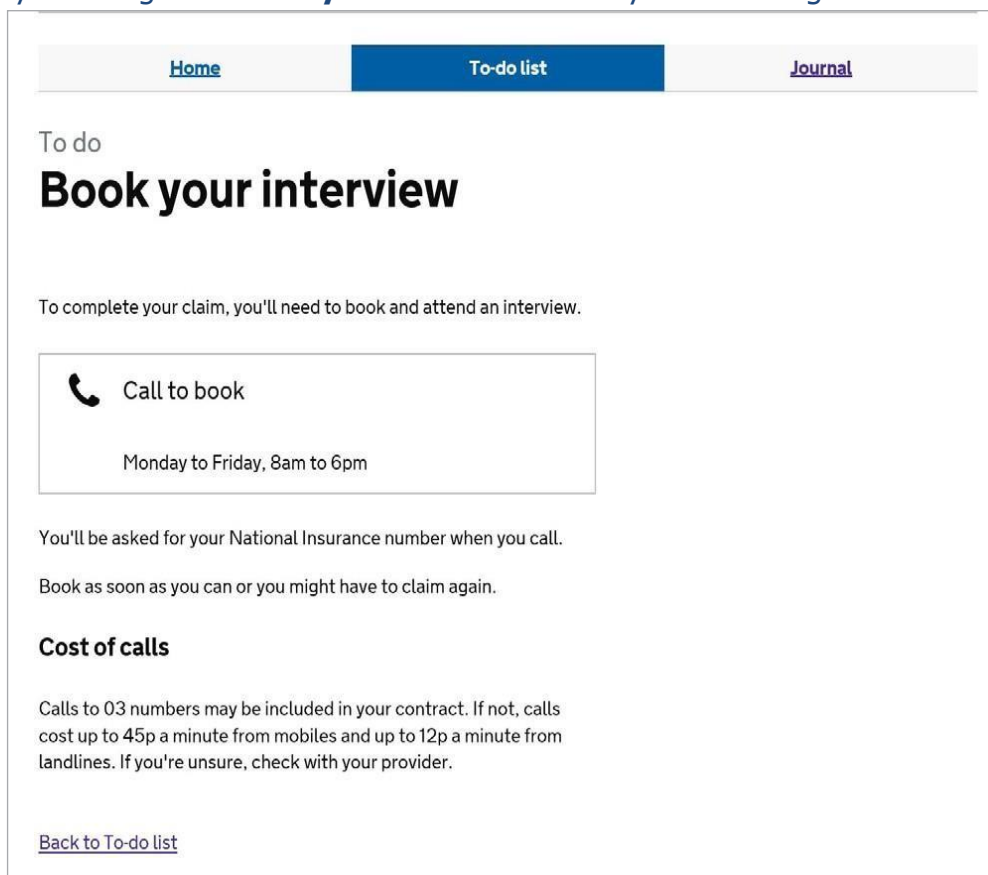
[Go to GOV.UK Verify](#)

[I can't do this online](#)

You'll need to [book an ID interview](#) at a jobcentre.

If you select 'I can't do this online', the next few screens will tell you what identity documents you need to verify your identity and you'll be prompted to make an appointment at your local jobcentre.

By clicking the **Book your interview** link you will be given the following information:




Home To-do list Journal

To do

Book your interview

To complete your claim, you'll need to book and attend an interview.

 Call to book

Monday to Friday, 8am to 6pm

You'll be asked for your National Insurance number when you call.

Book as soon as you can or you might have to claim again.

Cost of calls

Calls to 03 numbers may be included in your contract. If not, calls cost up to 45p a minute from mobiles and up to 12p a minute from landlines. If you're unsure, check with your provider.

[Back to To-do list](#)

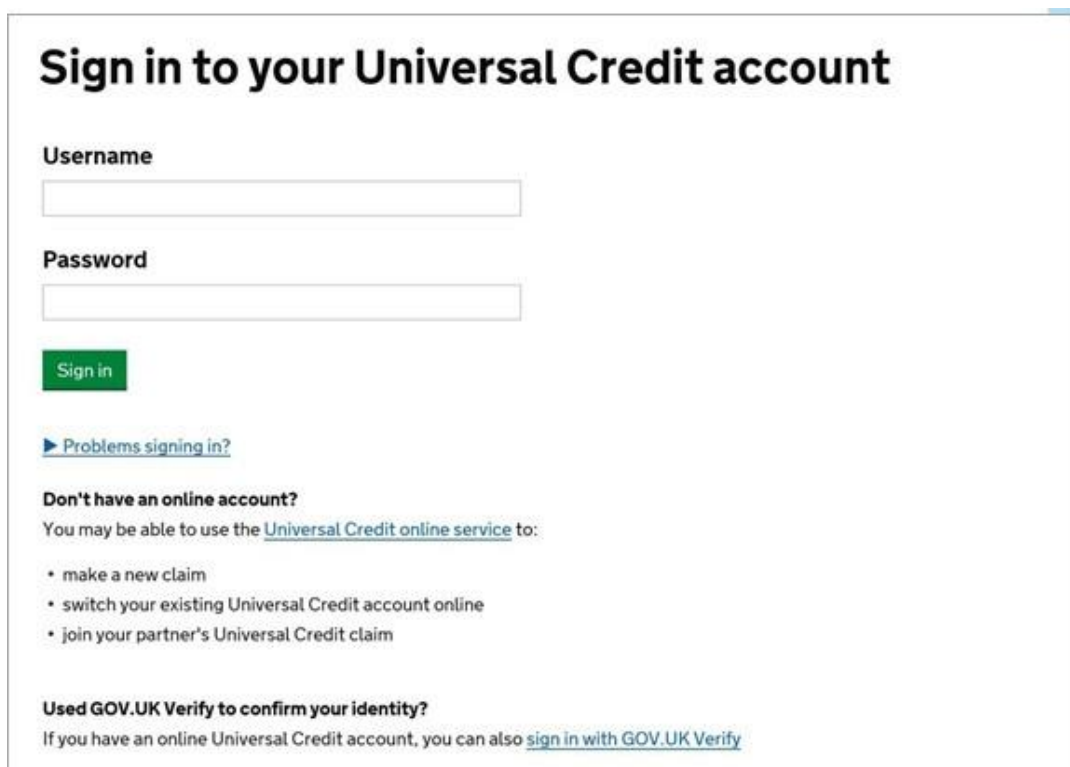
During your interview you will be given a 16 digit Personal Security Number. Take a note of this number as you will need it to access your account in future.

Maintaining your Universal Credit Claim

If you have a To Do to complete you'll be notified by text or email, depending on how you asked to be contacted, to prompt you to log in to you account. An example could be that you need to provide a copy of your CV. When you log in you will see a To Do from your Work Coach asking for this and you will be able to upload the document or image adding any additional comments and then complete the To Do.

Sign in

Sign in to your account using the username and password you chose when you created your account



The screenshot shows the 'Sign in to your Universal Credit account' page. It features a title, two input fields for 'Username' and 'Password', a green 'Sign in' button, a link for 'Problems signing in?', a section for users without an online account, and a section for users who used GOV.UK Verify.

Sign in to your Universal Credit account

Username

Password

Sign in

[▶ Problems signing in?](#)

Don't have an online account?
You may be able to use the [Universal Credit online service](#) to:

- make a new claim
- switch your existing Universal Credit account online
- join your partner's Universal Credit claim

Used GOV.UK Verify to confirm your identity?
If you have an online Universal Credit account, you can also [sign in with GOV.UK Verify](#)

You will then be asked to enter four of the numbers from your Personal Security Number.

If your Personal Security Number has not been issued you will instead be asked one of the security questions you selected when you created your account

Confirm your identity

Enter numbers from your personal security number

1st 2nd 10th 16th

** * ** ***

[► What is a PSN?](#)

[Next](#)

[Request a new PSN](#)

[Back](#)

Your Home Page

Home	To-do list	Journal
Report a change of circumstances	Add a note to your journal	
View to-do list	Guide	

Your commitments

This is what you've agreed to do in order to receive Universal Credit.

It's important that you understand that in return for your Universal Credit payment you're agreeing to look for work.

You'll need to commit to doing everything you reasonably can to find and take paid work. Your work coach will help you agree your commitments.

Only when your claim has been submitted does your home page become available and each home page is different for each individual. You can report changes of circumstances online and can also view your To Do lists and journal. If you're reporting a change of circumstance that does not have an option online, then you can report it using the journal.

You'll also be able to view your monthly statement online too. This breaks down your payments so you'll understand why you're being paid a certain amount and shows you each piece of information, each deduction and any penalties that you may have.

In some cases you will be able to make a start on your Commitment before meeting your Work Coach. It will ask you about what work you can do, previous experience and what you will be doing to find work or earn more. This will help you and your Work Coach understand what needs to happen next.

Your journal keeps a history of the actions throughout the lifetime of your account. Each time a To Do is completed it is moved to the journal.

Some To Dos can be reviewed such as claim submissions, any additional information, upload a document or any conversations that you have ongoing with a member of staff.

You can also add notes to your journal about your work search or other activities that you are doing to help improve your circumstances such as careers advice or getting support to help you manage your money.

If the note is important or you'd like to ask a direct question, then there is a tick box to alert a member of staff to that action underneath. Once your note is saved, a notification is sent to the staff member looking after your claim to let them know you have saved a message in your account that requires attention.

When you claim Universal Credit you will need to complete and accept a tailored Commitment.

In most cases your Commitment will be drawn up during a conversation with your work coach at your local jobcentre. It will set out what you have agreed to do to prepare for and look for work, or to increase your earnings if you are already working.

It will be based on your personal circumstances taking into account your health and will be reviewed and updated on an on-going basis. Each time it is updated, you will need to accept a new Commitment to keep receiving Universal Credit.

If you claim Universal Credit as a couple, both of you will need to accept an individual Commitment to be eligible for Universal Credit. Your Commitment may be affected if your partner starts work or their circumstances change.

Not meeting your responsibilities

Your Commitment will clearly state what will happen if you fail to meet one or more of your responsibilities. You will receive reduced payments known as a **sanction**, if you fail to meet one or more of your responsibilities and can't give a good reason to explain why.

Your Commitment — continued

If you are earning as much as can be expected depending on your current circumstances.

You will receive financial support without any other conditions to increase your earnings.

If you are able and available to work.

You will need to do everything you reasonably can to give yourself the best chance of finding work. Preparing for and getting a job must be your full time focus. If you do not do this without a good reason you will receive reduced payments of your Universal Credit, known as a sanction.

If you currently have limited capability for work, related to a disability or health condition, but this is expected to change over time.

You will be supported until your circumstances improve and you can work. You will be expected to prepare for work so far as you are able.

If you have a disability or health condition that prevents you from working.

You will not be required to work and will be supported through Universal Credit.

If you care for a severely disabled person for at least 35 hours per week.

You will not be required to work and will be supported through Universal Credit.

If you are the lead carer for a child.

You will be supported in your current circumstances. What is expected of you as a lead carer in return for getting Universal Credit will be based on the age of the youngest child in your household.

Payments - how, when and where?

You should receive your first payment about 5 weeks after you make your claim. You will then be able to view your payment details in your account. The DWP can't confirm how much you'll get before then, because the amount depends upon your circumstances, for example, if you're caring for someone else and/or if you have received any income or earnings that month.

Your payment will usually arrive on the same date each month or earlier if the date falls on a weekend or bank holiday. If you are employed, Her Majesty's Revenue and Customs (HMRC) will tell us about any money you've earned.

Universal Credit is paid monthly directly into the bank account. The amount you get is calculated each month and depends on your circumstances and earnings during that time. This is known as an Assessment Period.

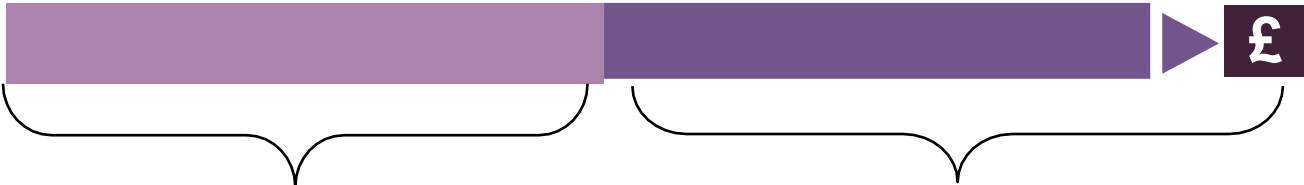
If you were previously in receipt of tax credits it is important to note that **your tax credits will stop as soon as you make a claim to Universal Credit**. For further information see:

Universal Credit: [help with managing your money - GOV.UK](https://www.gov.uk/government/publications/help-with-budgeting-your-universal-credit)
(<https://www.gov.uk/government/publications/help-with-budgeting-your-universal-credit>)

1 Calendar Month Assessment Period

7 Days

Payment



Assessment Period

Universal Credit is assessed and paid in arrears, on a monthly basis, in a single payment.

Your personal circumstances will be assessed to work out the amount of Universal Credit you are entitled to.

7 Days and Payments

Your payments will usually be calculated from the day you submit your claim and you will get your first payment 7 days after the end of your first Assessment Period.

Your payment will then be made on the same date every month while you remain entitled to Universal Credit. If your payment date is on a bank holiday or weekend you will be paid on the last working day before the bank holiday or weekend.

Universal Credit will be paid directly into your chosen account.

Support available

Advances

You can get additional help during your first month of claiming Universal Credit.

Universal Credit is paid monthly and you are responsible to budget monthly. If you feel you may experience financial difficulties during the time between making your claim and receiving your first payment, you can apply for a Universal Credit Advance (the first Universal Credit payment will be made approximately 5 weeks from the date of claim).

You can apply for up to 100% of your estimated Universal Credit entitlement and can repay the advance over 12 months. Advances are paid into the bank account that you are using for your Universal Credit claim within three working days. If a payment is needed more quickly, provision can be made for a same day Faster Electronic payment. These will only be made where there are exceptional circumstances, for example, where you do not have enough money to last until the advance is paid.

You need to call the Universal Credit helpline to apply for an advance payment or you can apply through your online account.

To apply, you will need to:

- Explain why you need an advance
- Provide bank account details where the advance should be paid
- Verify your identity (you'll do this online when you submit your Universal Credit claim, or in the Jobcentre during your first interview if you need help)

Universal Credit helpline

Telephone: 0800 328 5644 Textphone: 0800 328 1344

Monday to Friday, 8am to 6pm. The agent will take you through the advances application. (For Welsh language call 0800 328 1744).

You can read more information on this and other types of advances that are available here:

<https://www.gov.uk/guidance/universal-credit-advances>

Managing your money

If you want some help with managing your money, you can access the online Money Manager here <http://obs.moneyadviceservice.org.uk>

Money Manager is an interactive digital tool, owned by the Money Advice Service, that offers personalised money management advice.

The advice includes how to open a bank account, dealing with rent arrears and regular bills and debt advice services. There's a quick and easy way to use budget planner and money management hints and tips, including how to reduce your household bills. It also has information about claiming Universal Credit as a couple, claiming with children, information for carers, links to local authorities and other information centres.

If you are unable to use the online Money Manager tool and require help managing your money please talk to your Work Coach or Case Manager about local personal budgeting support available near you.

Support available continued

Personal Budgeting Support (PBS)

There are two elements to PBS:

1. Money advice to help you cope with managing your money on a monthly basis and paying your bills on time.
 - Money advice will be offered online, by phone, or face to face.
 - Money advice will be delivered by external organisations with the relevant expertise to do this.
 - Help to get a bank account.
2. **Alternative Payment Arrangements (APA)** if you can't manage the single monthly payment. Not all requests for Alternative Payment Arrangements will be granted as each request will be considered on its own merits and against the eligible criteria.

If you are eligible you can get:

- Money paid directly to your landlord for rent - this means the housing costs part of your Universal Credit will automatically be paid each month to your landlord from your Universal Credit payment.
- Payments weekly or fortnightly instead of monthly - this can help prevent you from running out of money if you're struggling to make your payment last a whole month.
- Payments split into 2 bank accounts instead of one (couples only) - this can help you manage your money yourself if you have responsibilities that are different to your partner's, or if you've been a victim of abuse and want to manage your money yourself.

Alternative Payment Arrangements can be considered at any point during your Universal Credit claim. If you are currently applying, or about to apply for Universal Credit, you can ask for an Alternative Payment Arrangement at your interview.

You also need to be aware that should you fall into rent arrears, your landlord can apply for a third party deduction directly from your Universal Credit payment. This will only apply if you are at least 2 months in arrears with your rent. You may want to talk to your landlord and come to an arrangement (to avoid these deductions) if you are at least 2 months in arrears with your rent.

Speak to your Work Coach for further information if you are already receiving Universal Credit.

If you need help making and/or managing your claim with Universal Credit you can get help to improve your digital skills. This is called **Assisted Digital**. If you think you would benefit from additional help to get online or to use a computer please speak to your Work Coach.

Extra help with eligible childcare costs

You may be worried about paying for childcare while you work. The DWP want to help, so through Universal Credit you can claim back up to 85% of eligible childcare costs. The DWP add this to your monthly payment. Speak to your Work Coach for more information.

Earnings

Non-calendar monthly earnings payments

You may be paid in other patterns, including four-weekly, fortnightly, weekly or on a fixed day every month, which may mean that for some months you receive two or more wages during one Universal Credit assessment period (AP). This may reduce your Universal Credit payment or in some cases mean you will not receive any Universal Credit for that month.

Fixed pay days

This is where you are paid by your employer on a fixed date every month. In some months you may receive your wages before your usual payday, to avoid paying on a weekend or bank holiday (weekends and bank holidays are known as non-banking days). If employers do not follow HMRC guidance correctly and report the wrong pay date to HMRC this can impact your Universal Credit payment. If this happens, you must raise this with your employer.

More guidance on how often you get paid and how that may affect Universal Credit payments can be found on the internet at

<https://www.gov.uk/government/publications/universal-credit-different-earning-patterns-and-your-payments/universal-credit-different-earning-patterns-and-your-payments-payment-cycles>

Surplus Earnings

Surplus earnings occur when you earn £2,500 over the amount that caused your Universal Credit to cease. For more information please see <https://www.gov.uk/universal-credit/how-your-earnings-affect-your-payments>

If you fail to meet each of your responsibilities that you agreed in your Commitment without good reason, you will have a cut in your benefit, known as a sanction. This means your Universal Credit payments will be reduced for a set period, and the period of reduction will increase the more times that you fail to meet similar requirements, up to a maximum of 3 years. There are four sanction levels: higher, medium, low and lowest.



Higher Level

You will be sanctioned for 91 days for your first higher level sanction in any 364 day period, 182 days for your

- Have to meet the 'work preparation requirement', and you fail to take part in Mandatory Work Activity;
- Have to meet the 'work search requirement', and you fail to apply for a particular job when told to do so;
- Have to meet the 'work availability requirement', and you refuse a job offer; or
- Leave work or reduce your hours of work, whether voluntarily or due to 'misconduct' (while claiming Universal Credit or just before you claim).

There are special rules for how long your sanction will last if it is for leaving work before you claimed Universal Credit.



Medium Level

You will be sanctioned for 28 days for your first medium level sanction in any 364 day period, or 91 days for your second if you:

- Have to meet the 'work search requirement', and you fail to take all reasonable actions to find paid work or increase your earnings from work; or
- Have to meet the 'work availability requirement', and you are not available to start work or attend interviews.



Low Level

They last until you do whatever you were sanctioned for failing to do, plus 7 days for your first low level sanction in any 364 day period, 14 days for your second, or 28 days for your third if you:

- Fail to attend or take part in a work-focused interview, and a lowest level sanction does not apply;
- Fail to attend or take part in a training course;
- Fail to take a specific action to get paid work, or to increase your earnings from work.



Lowest Level

These apply if you only have to meet the 'work-focused interview requirement', and you fail to attend or take part in a work-focused interview; they last until you take part in one.

Sanctions - continued

Hardship Payments:

You may be able to get a hardship payment if you get a sanction. You will repay it through your Universal Credit payments which will be lower until you pay it back.

Eligibility: You can get a hardship payment if you can show that you can't pay for :-

- Rent,
- Heating,
- Food or hygiene needs for you or your household.
- You must be 18 years old or over
- Your payment of Universal Credit must have been stopped or reduced because of a sanction. You cannot claim a hardship payment until this has happened.
- If you have been sanctioned for not doing something like attending a meeting and there is no end date to that sanction, you cannot get hardship until you have done what you were asked to do.
- You must show that you have done everything reasonable to look for work in the 7 days before claiming a hardship payment. If you haven't you will not get a hardship payment.

Every case is assessed individually. You will have to show that you have tried to find the money from somewhere else and only spent money on essentials.

How to claim: If you have a Universal Credit online account call 0800 328 5644; If you manage your Universal Credit claim by telephone call 0800 328 9344; Textphone 0800 328 1344; Welsh Language 0800 328 1744 Monday – Friday 8am-6pm.

Couples:

If you are a couple, for each sanctioned person, the sanction rate is 50% of the appropriate Standard Allowance for the couple. For the lowest level sanction, you will be sanctioned at an amount equivalent to 20% of your Standard Allowance (50% of 40%).

Reduction of sanctions from Universal Credit:

Though you cannot have two sanctions at once, sanctions can run back-to-back. When you are sanctioned, it is usually your next payment, or series of future payments of Universal Credit, that is affected. Sanction reductions are applied after taking earnings and unearned income into account. If there is insufficient Universal Credit remaining after this to take the full sanction amount, the sanction reduces the award to nil and is treated as having been made in full. You will remain entitled to Universal Credit and will therefore maintain access to 'passported' benefits such as free prescriptions.

16/17 year old:

You can fall into any one of the four conditionality groups (All work-related requirements, Work-focused-interview and Work-preparation requirements only, Work-focused interview requirements only and No work-related activity requirements). The sanctions regime for 16 and 17 year olds mirrors the adult regime but has lower sanction amounts, 40% of the Standard Allowance, and shorter durations.

If you do not agree with a Universal Credit sanction:

You can ask for a mandatory reconsideration within a month of the date of a decision. You must write to the department that gave you the decision (the address to write to will be on the decision letter) and say why you think the decision is wrong, providing any evidence. For more information please visit: <https://www.gov.uk/mandatory-reconsideration>

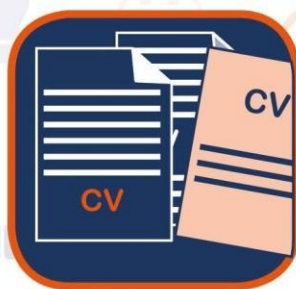
Full time work search

If your Commitment includes looking for work, you will be expected to do everything you reasonably can to prepare for and find work. In most cases, you will need to complete up to 35 hours work search activity per week in order to receive Universal Credit. This could include some or all of the following:

Prepare your CV



Tailor it to each job



Research employers & transport links



Apply for suitable jobs



Prepare your CV cover note



Follow up applications



Make it easy to be found online



Job search and set up job alerts online



Network with friends, family and on social media



Prepare for your interview



Record your activities to track your progress



This list is not exhaustive. For more tips and ideas visit The Daily Jobseeker <http://dailyjobseeker.tumblr.com>

Conditionality

Conditionality means work-related things an eligible adult will have to do in order to get full entitlement to Universal Credit. Each eligible adult will fall into one of four conditionality groups based on their capability and circumstances; these are:

- 1) All work-related requirements,
- 2) Work-focused-interview and work-preparation requirements only,
- 3) Work-focused interview requirements only and
- 4) No work-related activity requirements. Speak to your work coach to find out which conditionality group applies to you.

Day one conditionality - As an eligible adult you will be required to register on the 'Find a Job' service (findajob.dwp.gov.uk), create your own e-mail account/address and create a Curriculum Vitae (CV) from the first day of their Universal Credit application.

Opening up work

Universal Credit is 'opening up work' and allowing access to a wider range of jobs by:

- Helping make sure you're always better off in work;
- Allowing part-time and short-term work to act as a stepping stone into work;
- Providing you with support from a Work Coach to help you every step of the way; and
- Removing barriers, allowing you to work more than 16 hours a week and still claim Universal Credit.

For further information see [Universal Credit and work - GOV.UK](https://www.gov.uk/government/publications/universal-credit-and-work-quick-guide).

(<https://www.gov.uk/government/publications/universal-credit-and-work-quick-guide>)

Taper

Universal Credit is designed to make sure that you're better off in work, by topping up your wages each month while you need it.

Your Universal Credit payment reduces gradually as you earn more (this is known as the taper), and will increase again if your job ends or your earnings go down.

You can earn a certain amount, which is based on your individual circumstances, before your Universal Credit payment is reduced. The more you earn, the higher your total income will be, which helps ensure that you will be better off in work.

Use a [benefits calculator](https://www.gov.uk/benefits-calculators) to see how starting a job or increasing your working hours affects your benefits. (<https://www.gov.uk/benefits-calculators>)

Self-Employment

Gateway interview

People who are self-employed and expected to look for and be available for work while in receipt of Universal Credit will be asked to attend a Gateway interview; ask your Work Coach about this.

Self-Employment guide

This is issued when you tell us you are self-employed, and explains self-employment and Universal Credit. It tells you what to expect from your Gateway interview, what to bring with you, and how to report self-employed earnings.

What does it mean to be 'gainfully self-employed'?

When you tell us you are self-employed, the DWP need to decide whether self-employment is the most appropriate way for you to become financially independent. The first step towards making this decision is to assess whether you are 'gainfully self-employed'.

This means that self-employment in a trade, profession or vocation should be your main occupation. It must also be organised, developed, regular, and carried out in expectation of profit. If you are found not gainfully self-employed, the Minimum Income Floor (see below) is not applied, and you are required to meet work-search conditions.

If you have been found Gainfully Self-Employed you will be issued with a Universal Credit self-employment guide. This provides guidance on the self-employed earnings reporting process as well as information on gainful self-employment, Minimum Income floor and Start-up period.

Minimum Income Floor

The Minimum Income Floor is an assumed level of earnings for a gainfully self-employed claimant, and is based on the earnings the DWP expect a claimant with similar circumstances to achieve. It is designed to encourage and incentivize you to increase your earnings through developing your business, and is applied if your earnings are below that level, and you are not in a start-up period.

If you are subject to the Minimum Income Floor, you will not be subject to work search or availability requirements, allowing you to concentrate on making a success of your business and maximizing your returns up to and beyond the level of the Minimum Income Floor.

Self-Employment - continued

Start-up period

If the DWP decide you are gainfully self-employed, are within one year of starting self-employment and you are taking active steps to increase your earnings, you will be eligible for a 'start up period.' This is a period of up to twelve months where the Minimum Income Floor will not be applied, and you won't be required to look for or take up alternative employment.

Your actual earnings will be taken into account to work out your Universal Credit award. You will be expected to take steps to build your business and increase your earnings, and the DWP will ask you to provide evidence of this during your quarterly interviews.

Work Coach support

If you are in the Start-up period, you will receive regular one-to-one support from your Work Coach to help you grow your business and increase your earnings.

If you have a partner who is working

Your partner's earnings may affect the level of the Minimum Income Floor applied to your claim in certain circumstances.

Household income is used to calculate the amount of Universal Credit you receive, so your partner's earnings may affect your payment.

If you have a partner who is also gainfully self-employed

You would each have your own Minimum Income Floor, calculated depending on your circumstances, and these may be combined to calculate your household award.

Changes to your self-employment

You will need to report any change in circumstance through your journal in your online account, if you have one. If you manage your Universal Credit claim by telephone you can report changes by calling the service centre. Depending on the change, the DWP may need to carry out a new gainful self-employment test.

Other business support

Thousands of people take the decision to start their own business, or grow an existing one, each year. If you are thinking about this to improve your future, GOV.UK provides a wealth of information on working for yourself. (<https://www.gov.uk/working-for-yourself>)

Universal Credit and self-employment - Publications - GOV.UK

(<https://www.gov.uk/government/publications/universal-credit-and-self-employment-quick-guide>)

Help with eligible childcare costs

Universal Credit helps working parents by providing financial help with eligible childcare costs, no matter how many hours you work. If you are claiming with a partner both of you normally need to be in work to receive this help. It is also available if you are claiming Universal Credit and in receipt of Statutory Sick Pay, Statutory Maternity Pay, Ordinary Statutory Paternity Pay, Additional Statutory Paternity Pay, Shared Paternity Pay, Statutory Adoption Pay or Maternity Allowance.

You will be able to claim back up to 85% of your actual paid out childcare costs if you meet the qualifying conditions and your childcare costs are eligible.

Claimants with a firm and accepted job offer can claim for eligible childcare costs a month prior to starting work. Talking to your Work Coach as soon as possible about your job offer and the support options available to you will help with getting a routine in place for when you start work. Universal Credit for eligible childcare costs is paid in arrears, so if you think you need help with up-front costs, you should discuss this with your Work Coach. Additional help to meet an initial payment for eligible childcare costs may be available, subject to certain conditions.

Universal Credit for eligible childcare costs can also be claimed for at least a month after your employment ends, which can help you to maintain childcare as you move between jobs.

Help paying for eligible childcare costs in Universal Credit is in respect of payments to registered or approved childcare providers. This generally means the childcare provider is registered with OFSTED in England, the Care Inspectorate in Scotland or Care and Social Services Inspectorate for Wales (CSSIW). Approved childcare can include care provided in school or in another place by a child minder, play-scheme, nursery or club. Your approved childcare provider should be able to provide you with a registration number.

To make a claim you will need to provide evidence of your childcare placement(s) and the actual cost of childcare with receipts.

Other help with childcare costs

All three and four-year-old in England can get 570 hours of free early education or childcare per year. This is usually taken as 15 hours each week for 38 weeks of the year. Some two-year-old are also eligible.

From September 2017, the free childcare entitlement in England will be doubled to 30 hours per week for working parents of three and four year old. Help with childcare is also available in Scotland and Wales.

You cannot claim Universal Credit for eligible childcare costs to cover any free provision. However, you can claim Universal Credit for eligible childcare costs to cover the cost of the hours over and above the free provision. If your child starts getting free childcare, you should tell us about the change straight away.

If you are working and responsible for a child, your employer may be able to help you with childcare costs through Employer Supported Childcare in the form of childcare vouchers. Employer Supported Childcare will close to new entrants from April 2018.

From early 2017, the new Tax-Free Childcare scheme will be introduced to support parents with their childcare costs. If you are in receipt of Universal Credit, you will not be eligible for Tax-Free Childcare at the same time, so you will need to choose between getting Universal Credit childcare costs and Tax Free Childcare. If you need help with this you should speak to your Work Coach.

For further information on a range of different childcare schemes including, free childcare and other childcare support visit <https://www.childcarechoices.gov.uk/>

Help with Child Maintenance Arrangements

You can get help with organising Child Maintenance from 'Child Maintenance Options'. This is a free and impartial service for parents who live separately. For more information, see

<https://www2.dwp.gov.uk/contact-cmoptions/en/contact-us.asp>

Housing

If you and/or your partner are responsible for paying rent (including any eligible service charges) for the home you live in, or if you have a mortgage, Universal Credit may provide help towards the cost. The DWP call this Universal Credit Housing Costs.

If you claim Universal Credit, it is your responsibility to budget correctly and make sure you pay your rent and other housing costs direct to your landlord or mortgage/lender in full. Being responsible for paying rent means you have an agreement to make rent payments and have a contract or written rent agreement with a landlord, organisation or agency.

If you are applying for housing costs under Universal Credit, and manage your claim through your online account and live in the **social housing sector**, the service centre will email a Housing Costs Verification form to your landlord. Once this has been returned, the information will be checked against your claimant declaration.

If you are applying for housing costs under Universal Credit and you manage your claim by telephone **and live in the private housing sector**, it is your responsibility to provide evidence of your rent i.e. tenancy agreement and amount, to your Work Coach.

If you are applying for housing costs under Universal Credit and manage your claim by telephone, it is your responsibility to bring evidence with you to the jobcentre, for example:

- A current tenancy agreement
- A current rent statement
- A current rent book
- A signed letter from your landlord
- Mortgage agreement
- Current mortgage statement
- Any loan agreement/s secured on property
- Bank statement showing mortgage payments.

The DWP will check and validate your evidence before paying Universal Credit Housing Costs. It will also check the local rent levels in your area. **If you do not provide this evidence there may be a delay in paying you Universal Credit Housing Costs.**

If you're getting Housing Benefit before you claim Universal Credit

To help you financially, your Housing Benefit will continue to be paid for 2 weeks after you claim Universal Credit. This payment will be made by your Local Authority.

This extra two week Housing Benefit payment is to support you when you first move from Housing Benefit to Universal Credit. You do not need to pay back this extra money and it will not be taken into account as income by Universal Credit. You do not need to claim this extra 2 weeks of Housing Benefit, it will be paid automatically when you first claim Universal Credit.

If your Housing Benefit is paid directly to your landlord, the extra money will also be paid directly to your landlord, unless you are making a new claim to Universal Credit because of a [change of address](#).

If your Housing Benefit is paid directly to you, the extra money will also be paid directly to you when you claim Universal Credit. For more information go to <https://www.gov.uk/housing-and-universal-credit/how-to-claim>

Local Council Tax Reduction

If you are claiming Universal Credit for the first time the DWP would advise you to apply for Local Council Tax Reduction (LCTR) straight away, as many local authorities will not backdate it for you.

You do not need to wait until your claim for Universal Credit has been assessed and/or paid. You can start the process to apply for [LCTR on GOV.UK](#). (<http://www.gov.uk/apply-council-tax-reduction>). It will take you directly to the relevant page on your local council's website, which will tell you what you need to do next.

You may be able to get help from your local authority with your Council Tax if you are on a low income or claim benefits, including Universal Credit. The help you will get depends on where you live, your circumstances, your household income - including savings and pensions, if any children or adults live with you and your local council's own Council Tax reduction scheme.

Discretionary Housing Payments (DHP)

Depending on where you live the money you are paid in your Universal Credit payment may not cover all of your housing costs. Where this happens you should consider claiming Discretionary Housing Payments. These payments are made by your Local Authority and can cover the following:

- Reductions in Housing Benefit or Universal Credit where the benefit cap has been applied;
- Reductions in Housing Benefit or Universal Credit due to the removal of the spare room subsidy;
- Reductions in Housing Benefit or Universal Credit as a result of Local Housing Allowance restrictions;
- Rent officer restrictions such as local reference rent or shared accommodation rate;
- Non-dependant deductions in Housing Benefit, or housing cost contributions in Universal Credit;
- Rent shortfalls to prevent a household becoming homeless whilst the housing authority explores alternative options;
- Income taper reduction;
- Policy to limit benefit to two children; and
- Any other policy change that limits the amount of Housing Benefit payable, for example the removal of the family premium.

A DHP can also be awarded for a rent deposit or rent in advance for a property that the claimant is yet to move into if they are already entitled to Housing Benefit or Universal Credit at their present home.

For further information please see: <https://www.gov.uk/government/publications/claiming-discretionary-housing-payments>

Support for Mortgage Interest (SMI).

If you and/or your partner own the home you live in and have a mortgage or other loan secured on the property, you may be eligible for Support for Mortgage Interest (SMI).

SMI is paid as a loan, which you'll need to pay back when the property is sold or ownership is transferred. The amount you receive will be based on a set rate of interest applied to your outstanding mortgage. It will be paid direct to your mortgage lender.

Once you or your partner are receiving earned income, you will no longer be eligible to receive SMI loan payments. You'll need to repay the money you get when you sell or transfer ownership of your home.

If your house is leasehold you may also receive help with some service charges as part of your Universal Credit. For more information please see: <https://www.gov.uk/support-for-mortgage-interest>

Other benefits

Universal Credit is replacing 6 working age benefits: Income-based JSA, Income-related ESA, Working Tax Credit, Child Tax Credit, Housing Benefit and Income Support.

Listed below are a number of other benefits you may have an entitlement to depending on your individual circumstances. This list is not exhaustive so please use a benefit calculator to ensure you claim the right benefits for you. <https://www.gov.uk/benefits-calculators>

New style JSA

You may be able to get new style Jobseeker's Allowance (JSA) if you have worked and paid National Insurance contributions and have 2 children or fewer, or no children. You may also be able to get new style Jobseeker's Allowance (JSA) if you're:

- Already claiming Universal Credit, or
- Are returning to Universal Credit within 6 months of a previous claim.

You will need to have paid or been credited with enough [National Insurance contributions](#).

You can get new style JSA for up to 182 days. After this you can talk to your Work Coach about your options.

You can get new style JSA on its own or at the same time as Universal Credit.

If you claim both benefits any new style JSA you are entitled to will be deducted from your Universal Credit payment. When your new style JSA ceases you will move on to receive the full entitlement to UC.

New style JSA:

- Is paid fortnightly in arrears;
- Attracts a class 1 National Insurance contribution for each week claimed, and
- Is not affected by a partner's earnings or any savings you may have.

For more information please see: <https://www.gov.uk/guidance/new-style-jobseekers-allowance>

New Style ESA

You may be able to get new style Employment and Support Allowance (ESA) if you're ill and unable to work, have previously worked and paid National Insurance contributions and have two or fewer children, or no children.

You may also be able to get new style Employment and Support Allowance (ESA) if you're ill and unable to work and are:

- Already claiming Universal Credit, or
- Returning to Universal Credit within 6 months of a previous claim.

You will need to have a [fit note](#) and have paid or been credited with enough [National Insurance contributions](#).

You can get new style ESA on its own or at the same time as Universal Credit.

If you claim both benefits any new style ESA you are entitled to will be deducted from your Universal Credit payment.

New style ESA is:

- Paid fortnightly in arrears;
- Attracts a class 1 National Insurance contribution for each week claimed, and not affected by a partner's earnings or any savings you may have.

For more information please see: <https://www.gov.uk/guidance/new-style-employment-and-support-allowance>

Help to Save

Help to Save is a new government saving scheme to support working people on low incomes to build their savings. To find out more visit:

<https://www.gov.uk/government/publications/help-to-save-what-it-is-and-who-its-for/the-help-to-save-scheme>

Other benefits that you may be entitled to include:

Attendance Allowance	Local Welfare Provision
Basic State Pension	New State Pension
Carer's Allowance	Pension Credit
Child Benefit	Personal Independence Payment
Disability Living Allowance	Bereavement benefits
Industrial Injuries Benefits	Maternity Allowance

Find out about any of these benefits by searching on www.gov.uk, or ask your Work Coach.

Passported Benefits

Passported benefits are benefits or schemes which some groups of people are entitled to because of their entitlement to certain benefits or tax credits.

Additional support claimants in receipt of Universal Credit may be entitled to includes:

- Help with health costs, including prescriptions and dental treatment
- Free school meals and other educational benefits
- Healthy Start vouchers
- Legal aid
- Help with the costs of using courts or tribunals
- Help with prison visiting costs
- Help from energy and water suppliers
- Warm home discount
- Cold weather payments
- Sure start maternity grants

This list is not exhaustive, but these are the main benefits. For more information visit <https://www.gov.uk/universal-credit/other-financial-support>

If you live in England please follow this link for more information: <https://www.gov.uk/government/publications/universal-credit-and-other-benefits-quick-guide/extra-support-for-universal-credit-claimants>

If you live in Scotland please follow this link <https://www.gov.scot/Topics/People/fairerscotland/Latestinfo-publications/mitigating/Passportedbenefits>

If you live in Wales please follow this link: <http://gov.wales/docs/dsjlg/publications/160701-eligibility-criteria-passported-and-other-schemes-en-v1.pdf>

Working tax credit elements

Below are the different working tax credit elements and how much each element is worth in 2018-19.

To find out the maximum amount you might be paid, you can add up all of the elements that apply to you.

Element	Amount
Basic payment	£1,960 a year
A couple applying together	Up to £2,010 a year
A single parent	Up to £2,010 a year
Work at least 30 hours a week	Up to £810 a year
Disability	Up to £3,090 a year
Severe disability	Up to £1,300 a year (usually in addition to disability payment)
Approved childcare	Up to £122.50 a week for one child, £210 a week for two or more children

Depending on how much you earn, this amount may be reduced.

Working tax credit in 2019-20

The table below shows the different working tax credit elements and how much each element is worth in 2019-20.

To find out the maximum amount you might be paid, you can add up all of the elements that apply to you.

Element	Amount
Basic payment	£1,960 a year
A couple applying together	Up to £2,010 a year
A single parent	Up to £2,010 a year
Work at least 30 hours a week	Up to £810 a year
Disability	Up to £3,165 a year
Severe disability	Up to £1,365 a year
Approved childcare	Up to £175 per week for one child; up to £300 per week for two or more children

Am I eligible to claim working tax credit?

It can be hard to know for sure whether you're eligible to claim and you have to apply to HMRC to find out. But if the following circumstances apply to you, you might be able to claim working tax credit.

If you're single and don't have children you must:

- Work at least 30 hours a week
- Be 25 or older
- Be earning less than £13,253

If you're in a couple and don't have children you must:

- Work at least 30 hours a week
- Be 25 or older
- Be earning less than £18,023 jointly

However, if you're disabled and work, or if you have children, you might be eligible for working tax credit if:

- You're 16 and over
- You work at least 16 hours a week

You also need to be a UK resident to claim, but there are a few circumstances where you can receive working tax credit without living in the UK:

- You're a citizen of a country in a European Economic Area (EEA) and you work in the UK
- You're a Crown Servant and have been posted overseas
- You're a citizen of an EEA country living abroad and you receive a UK state pension and/or contribution-based Jobseeker's Allowance (JSA).

If you're part of a couple – ie married to, in a civil partnership with or living with a partner – you must claim tax benefits jointly. You can't opt to claim on your own.

Working tax credit: how much will you get?

Working tax credit is made up of a number of different 'elements' or payments. You may be eligible for just one element or for a few different elements, depending on your family circumstances.

Everyone who qualifies for working tax credit receives the basic element. This is worth up to £1,960 during 2018-19, depending on your income. This amount will be unchanged in 2019-20.

In addition, you can receive extra elements depending on your circumstances, as we've shown in [our table above](#).

The elements you are entitled to are added together. But HMRC reduces the amount you get the higher your income is.

Working tax credit income thresholds

There are income thresholds in place which mean that those on higher incomes will receive a reduced amount of working tax credit.

The maximum possible amount of working tax credit will be reduced if you earn more than £6,420 a year.

For every £1 of income over this threshold you earn per year, the amount of tax credit paid decreases by 41p.

So, if your salary is £8,000 a year, you'll be earning 1,580 over this threshold.

For each pound, your working tax credit will be reduced by 41p – which can be worked out as $1,580 \times 0.41 = 647.80$.

This means that the maximum amount of working tax credit would be reduced by £647.80 over the year.

What counts as income?

When applying for tax credit, or renewing your tax credit, there are some types of income you have to report – no matter how much you earn. These are:

- Money earned through employment and self-employment
- Taxable social security benefits

- Student dependent grant
- Miscellaneous income, such as a business start-up allowance.

Other income sources only have to be reported if you earn more than £300 a year from them. Note that if you're claiming as part of a couple, this £300 threshold is shared between both of you. If you claim alone, you can still earn up to £300 without declaring these sources of income.

These are:

- Income earned on your savings, before tax
- Investments, such as company dividends
- Pensions
- Income from property
- Income from trusts, settlements and estates
- Foreign income.

You don't have to declare income from tax-free savings interest (earned by money saved in ISA's) or rent received through the rent-a-room scheme.

How are working tax credit and child tax credit linked?

It's possible to claim working tax credit and child tax credit at the same time. If you qualify for working tax credit and are responsible for one or more children, you'll probably be able to claim child tax credit, too.

When you apply for working tax credit, you'll be told if you can apply for child tax credit – you don't have to apply for them separately.

If you have children, there is extra working tax credit you may be able to claim, such as:

- The childcare element of working tax credit if you are paying for childcare
- The single parents' element of working tax credit if you are raising your child by yourself.

Childcare element of working tax credit

The childcare element of working tax credit is an extra allowance to help working parents who spend money on approved childcare.

Approved childcare includes:

- A registered childminder, nursery or play-scheme
- An out-of-hours club on school premises run by a school or local authority
- A childcare scheme run by an approved provider.

With the childcare element of working tax credit, you can claim up to 70% of childcare costs to a maximum of £175 a week for one child, or £300 a week for two or more children.

Find out more: [Tax-free childcare and other ways to save](#) – our guide outlines your childcare options.

Renewing your tax credit

You'll usually have to renew your tax credit every year. You'll receive a renewal pack between April and June, and you'll have to either fill out and return the form, or call the Tax Credit Office, by 31 July.

You must make sure all of your information is correct and up to date. Failure to do so could mean you'll have to repay any overpayments you receive and, if HMRC thinks you purposely gave the wrong information in order to get more money, you could be fined up to £3,000.

Reporting changes to your circumstances

It's important to keep HMRC up to date with changes to your income or family circumstances, as some things could change how much you're entitled to from tax credits.

Some changes must be reported within one month of taking place - failing to do so could end up with you receiving an overpayment that you'll have to pay back later, and if HMRC thinks you've failed to fulfil your responsibilities you could be fined up to £300.

Find out more: [tax credits and changes in circumstances](#) - read the full list of the important changes you must update HMRC about.

If you claim Universal Credit

Universal Credit is the new government benefits model that will eventually replace working tax credit and child tax credit, plus several other means-tested benefits.

It's being rolled out gradually across the country. You may already have been moved onto Universal Credit, or will be moved onto it soon. When it happens depends on where you live.

If you already receive Universal Credit, you can't apply for working tax credit, as the payments you'd receive are included in your Universal Credit payment.