



Universal credit

A guide for single parents

April 2019

What's in this guide

This advice guide is for single parents about to claim universal credit, already getting it or who want to know more.

It explains more about what universal credit is, how to claim, how is it calculated and paid, and how the rules apply to single parents.

This guide is written for single parents living in Scotland.

Free Lone Parent Helpline [0808 801 0323](tel:08088010323)
helpline@opfs.org.uk

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What is universal credit?

Universal credit has gradually been introduced across the UK. It provides financial support, for living expenses and housing costs, to working age people both in and out of work and their families. The amount you get is based on your income. Universal credit was created to simplify the benefits system by replacing income support, income-based jobseeker's allowance, income related employment and support allowance, housing benefit, child tax credit and working tax credit. These are now referred to as legacy benefits. Although you may be getting these benefits now there are no new claims being taken for them. instead you will claim universal credit. The benefits not being replaced by universal credit are still available.

Universal credit needs to be claimed online and is worked out monthly in arrears.

Can single parents get universal credit?

Single parents can claim universal credit, both in and out of work, between the ages of 16 and 65. The upper age will increase in line with the qualifying age for state pension. Pregnant women aged 16 and over, within 11 weeks of the date their baby is due, can also claim.

You may be expected to take steps to find work to receive universal credit. What you must do depends on the age of your children and any health issues you or your children have.

Moving from other benefits to universal credit

The majority of people getting income support, jobseeker's allowance, employment and support allowance, housing benefit, child tax credit and working tax credit (legacy benefits) will be 'invited' to claim universal credit from late 2020. When this happens, you will not suffer a drop in income if the amount of universal credit is less than you were receiving in other benefits. However, the payment you receive will not be up-rated each year but will stay the same until it is equal to universal credit. This is called transitional protection.

A change of circumstance that means you would have to claim a different legacy benefit could result in you receiving universal credit instead. For example, if you are getting income support and your youngest child turns five you will receive universal credit rather than jobseeker's allowance. You will not get transitional protection if this happens.

If you have a change of circumstances while receiving universal credit you will drop to the current amount of universal credit.

You can choose to move from legacy benefits to universal credit, rather than wait to be invited by the Department for Work and Pensions (DWP), but it is best to get advice before doing so as you might be worse off.

How is universal credit calculated and how much will I get?

The amount of universal credit you'll receive is based on your income, savings and family circumstances so will be specific to you.

Universal credit is made up of different amounts call elements. The elements are all added together to give your maximum monthly amount of universal credit. You would get this if you are not working or have a very limited income.

As the actual amount of universal credit you receive depends on the number of children you have, any disabilities, housing costs, childcare costs and income the amount is different for each family. Your universal credit may also vary each month if your income or benefits change.

The elements

Standard allowance

This is an amount given for the person, or couple, making the claim.

Child element

This is an amount given for each child born before 6 April 2017, but It is usually only given for two children born on or after 6 April 2017. However, there are exceptions to this.

Exceptions apply where a third or subsequent child, born on or after 6 April 2017, has been adopted, there is a kinship care arrangement, or the child was conceived as a result of rape. If your third or subsequent child has a disability you will receive a disabled child element but not the child element.

If you already receive universal credit for more than two children, born on or after 6 April 2017, you will continue to get it, for all of them, for as long as they remain your responsibility. If you have two or more children, born after April 6 2017, and have another child, you will not get universal credit for the new baby.

Disabled child elements

If your child has a disability you will get one of these elements added to your award *as well as* the child element.

There are two disabled child elements:

- A lower amount for children getting disability living allowance or personal independence payment
- A higher amount for children getting the highest rate of disability living allowance care component, the enhanced rate of personal independence daily living component or who are severely sight impaired.

If it is your 3rd or subsequent child, born on or after 6 April 2017, who has the disability you will still get these disabled child elements but not the child element.

Limited capability elements

These elements are given to adults whose ability to work is affected by a health condition or disability. There are two amounts:

- The limited capability for work and work related activity element
- The limited capability for work element because of a health condition or disability.

To qualify for one of these elements you would need to undergo an assessment. The result of this would determine what element would be added to your universal credit award. You would get this element in addition to the standard allowance.

Carer's element

This would be added to your award if you get carers allowance.

Housing costs

If you pay rent an amount to help with this will be added to your calculation.

Childcare costs

An amount to pay for registered childcare is added to your award if you are working. It does not matter how many hours you work or how much you earn but there is a limit on how much you can get. 85% of your childcare costs will be taken into account but the most you can be paid for one child is £646.35 per month or up to £1108.04 per month for two or more children.

You can get help with childcare costs for more than two children.

Table 1: Universal credit elements

Standard allowance	£ per month
Single claimant under 25	£251.77
Single claimant 25 or over	£317.82
Limited capability for work and work-related activity	£336.20
Child element	£ per month
Child or qualifying young person born before 06.04.17	£277.08
Child or qualifying young person born on or after 06.04.17	£231.67
Disabled child or qualifying young person lower rate	£126.11
Disabled child or qualifying young person higher rate	£392.08

Childcare costs element	£ per month
Maximum amount for one child	(85% of £760 limit) £646.35
Maximum amount for two or more children	(85% of £1,300 limit) £1,108.04

Carer's element	£ per month
Carer's element	£160.20

Housing costs element

An amount equivalent to eligible rent or mortgage interest payments

Example of a universal credit calculation

Jenny is a single parent with 2 children aged one and nine. Her nine-year-old gets disability living allowance high rate care.

Jenny is not working but gets carer's allowance and pays rent of £477 per month.

Table 2: Calculate maximum universal credit

Standard Allowance	£317.82
Child Element	+ £231.67
Child Element	+ £231.67
Disabled Child Element high rate	+ £383.80
Carer's Element	+ £156.45
Housing Element	+ £477.00
Maximum universal credit	£1798.41

Adjust for unearned income:

Jenny has unearned income (carer's allowance) which reduces her maximum award pound for pound:

Maximum universal credit	£1,798.41
Unearned income	- £279.93
Universal credit award	£1518.48

Jenny will receive a universal credit award of £1518.48 per month. She will also receive child benefit, carer's allowance, disability living allowance for her daughter and help with council tax.

How savings affect universal credit

If you have savings or capital over £16,000, you will not get universal credit. If you have savings or capital between £6,000 and £16,000, your universal credit award will be reduced by £4.35 (per month) for every £250 your capital exceeds £6,000.

How earnings and income affect universal credit

If you are working your earnings could affect the amount of universal credit you receive. Some of your earnings will be ignored when calculating your universal credit. These disregarded amounts are called the 'work allowances'.

There are two work allowances that apply to single parents:

- **Lower work allowance of £287.00**
if you have housing costs included in your universal credit calculation.
- **Higher work allowance of £503.00**
if you do not have housing costs included in your universal credit calculation.

Any earnings over these work allowances will reduce the maximum amount of universal credit you will receive.

Other taxable income, such as a pension or a contribution-based benefit, will also reduce the amount of universal credit you receive.

Disability living allowance, personal independence payment and maintenance paid for children do not affect universal credit.

Contact the Lone Parent Helpline for further information:

[0808 801 0323](tel:08088010323)

Universal credit if you're self-employed

If you are self-employed, you will have to report your earnings (i.e. profit after deductions and expenses) to the DWP every month. This information will then be used to calculate your universal credit. If no profit is made a maximum universal credit award will be paid each month, during the first year. After this start-up period an income will be assumed based on minimum wage at the number of hours (16 for single parents) you are expected to work.

Universal credit for students

Single parents are one of the groups of students who can claim universal credit. Your loan and grants will affect how much you get.

For more information contact the Lone Parent Helpline:

[0808 801 0323](tel:08088010323)

A limit on the maximum amount of benefits you can receive

The benefit cap is a limit on the total amount of benefit a household can be paid each year.

Benefits are not limited in households where

- Monthly earnings from employment total at least £520 (16 hours p/w at National Living Wage), -
- Someone receives carer's allowance, the carer's element in universal credit or has an underlying entitlement to them,
- Someone is in receipt of war widow or widowers' pension, disability living allowance, personal independence payment, attendance allowance, industrial injuries benefits, guardian's allowance, the support component of employment and support allowance or the limited capability for work- and work-related activity element of universal credit.

The limit has been set at £20,000 per annum (£1,667 per month) for a couple or single parent household and £13,400 per annum (£1,117 per month) for single claimants. Benefits included in the cap are bereavement allowance, child benefit, child tax credit, contribution-based employment and support allowance, jobseeker's allowance, maternity allowance, universal credit, widowed parent's allowance and widow's benefit.

All relevant benefits will be added up and any amount over the limit will be deducted from universal credit.

If you lose your job but have earned over £520 per month in each of the previous 12 months, the cap will not affect you for the next nine months.

How do I claim universal credit?

You must claim universal credit on-line. If you have problems doing this, you need to call the Universal Credit Helpline for where to get help.

Apply for universal credit online:

www.gov.uk/apply-universal-credit

Universal credit helpline:

[0800 328 5644](tel:08003285644)

Textphone: [0800 328 1344](tel:08003281344)

Your on-line account

You will be given a username and password for your on-line account and it will be your responsibility to keep all your personal details and information on your account up to date.

This account is where you will be able to:

- Report any changes in your circumstances like starting work, having a baby, requesting help to pay for childcare, flagging up a disability, change to your hours of work, etc
- Check when your next payment of universal credit will be
- Look at your claimant commitment
- Check your to-do-list and add any notes to your journal

If you don't have a computer at home, you might be able to use one in a library or your local Jobcentre.

Information you need to make a claim

There are several pieces of information you'll need to hand to apply for universal credit on-line. These will include:

- Your postcode
- National Insurance number
- Details of your bank/building society account
- Housing details including your landlord's address and phone number
- Details of earnings and other money like benefits, savings, shares or pensions
- Childcare costs
- Child Benefit reference numbers for any children you have

After applying on-line, you will be asked to go for an interview at the Jobcentre where you'll need to provide evidence of the information you have entered in the on-line application form. It's worth spending a bit of time getting everything together before you apply and to take to your interview.

The Jobcentre Plus interview

This interview is with a Jobcentre Plus staff member who'll become your work coach. You will see them regularly for support to help you find a job.

If you miss this interview your application will be cancelled, you'll not be entitled to any universal credit and will have to apply again.

Agreeing the steps to find work

To complete your claim for universal credit you need to sign a claimant commitment. You will do this during the interview, with a work coach, after you have made your online claim.

The claimant commitment is a contract between you and DWP and will include:

- How many hours a week you must job search
- Any caring responsibilities you have
- Any disabilities affecting your ability to work or jobs you can apply for.

It is also a record of tasks you must complete, called work related activity, to remain entitled to universal credit.

Your work-related activity depends on your circumstances and the age of your children. It includes writing a cv, obtaining skills, training, applying for and taking a job.

Single parents have:

- No work-related activity if they are pregnant and within 11 weeks of the expected date of delivery or they have a child under one year
- Work focused interviews if their youngest child is one year old
- Work preparation (not including applying for or taking a job) if you have a child of two years old
- All work-related activity (including applying for and starting work) if your youngest child is three or over.

If you have a child under 13 you can restrict the hours of work you are looking for to school hours. This should also be put into your claimant commitment so your work coach is fully aware of all restrictions you have.

Once these things are agreed you'll sign your claimant commitment. Any changes to your claimant commitment must also be agreed with your work coach.

It is very important that you consider carefully what is included in the claimant commitment as your universal credit can be stopped if you do not follow it.

Reductions in universal credit if you are told you don't fulfil your claimant commitment

Your universal credit could be reduced for a period of time if you don't carry out the tasks in your claimant commitment. This is called a sanction.

The length of sanction depends on:

- The work-related activity you are expected to do
- The activity you failed to complete and
- The number of times you didn't complete it.

There are four levels. Each reduces your universal credit for a different period of time:

- High: at least 91 days
- Medium: at least 28 days
- Low: at least seven days
- Lowest: until the task that was not carried out is undertaken

More than one sanction can be applied at the same time. A second or third sanction will increase the length of time your universal credit is reduced but not the amount of money you lose each month.

If you are subject to high, medium or low-level sanctions, you will lose an amount equal to the standard allowance of your universal credit for the length of the sanction. If you have a child under three years, you will lose an amount equal to 40% of the standard allowance from your universal credit.

Single parents with a child under one year old or who have limited capability for work related activity cannot be sanctioned.

Example

Jon has two children aged eight and ten. He is not working. He is given a medium level sanction for not attending an interview for a job. This means he will lose the personal allowance from his universal credit for 28 days.

One week later Jon is sanctioned again for refusing to accept a job offer. This time he is given a high-level sanction. It is also the second time he has failed to fulfil the terms of his claimant commitment, so he will lose the standard allowance from his universal credit for 182 days. This sanction will start when his first one ends meaning Jon's universal credit will be reduced for seven months in total. Jon may get a hardship payment.

Hardship payments

If your universal credit is reduced because of a sanction and you are unable to meet the costs for food, heating, housing and hygiene, you may be entitled to a hardship payment of 60% of the standard allowance of universal credit.

Any hardship payments received must be repaid from universal credit once the sanction has been lifted, unless you move into work and earn more than 16 hours per week at national living wage. In this case, the recovery of hardship payments will be suspended and written-off if the employment continues for at least six months.

How is universal credit is paid?

Payments of universal credit made on the same date each month into your bank account unless you request more frequent payments.

You will receive your first payment 5 weeks after you claim. This is your payment date. You will then get payments on the same date of the month but can ask for payments to be made twice per month.

If your payment date is on the 29th, 30th or 31st of a month, you will be paid on the last day of the month.

Advance payments

If you don't have enough money to live on while you wait for your first payment of universal credit you might be able to get an advance payment. This is a loan you need to pay back, over a 12-month period, from future universal credit payments. You must show that you are in financial need to get this advance.

The maximum advance you can get is your monthly estimated universal credit amount.

You should request an advance at your universal credit interview or by calling the free universal credit helpline.

Universal credit helpline:

[0800 328 5644](tel:08003285644)

Textphone: [0800 328 1344](tel:08003281344)

Choose how often you are paid universal credit

As part of the new social security powers in Scotland, you now have a choice on how you are paid universal credit. It can be paid twice a month or monthly, and the housing element can be paid directly to you or your landlord. You will be offered the new choice through your universal credit online account following your first payment.

See more details of the Scottish Government Choices:

<https://beta.gov.scot/policies/social-security/universal-credit/>

Twice monthly payments

After your first payment of universal credit you can ask, via your online account, to be paid twice monthly. Your monthly payment will then be split and paid in two lots.

Housing costs direct to landlords

You can ask that your housing costs are paid directly to your landlord. You can request this on your online account after your first payment. The DWP will contact your landlord to arrange this.

If the housing cost element in your universal credit award is less than your full rent, then you must continue paying the difference to your landlord yourself.

The DWP will leave a message in your online journal to let you know that this has been set up. It is important that you keep paying your rent until you have confirmation of this from the DWP.

How a change of circumstances affects universal credit

Changes in your circumstances may alter your monthly universal credit payment.

These changes can include:

- Starting or leaving work
- Moving home
- Your rent going up or down
- Having a baby

A change of circumstances takes effect from the beginning of the month in which it occurs. This can result in an increase or decrease of universal credit for you.

It is your responsibility to report a change of circumstance on time but it may benefit you to bring forward or delay changes where possible.

Call the Lone Parent Helpline for more information:

[0800 801 0323](tel:08008010323)

Useful contacts

Universal Credit Helpline

(Open: Monday - Friday 8am - 6pm)

[0800 328 5644](tel:08003285644)

Textphone: [0800 328 1344](tel:08003281344)

www.gov.uk/universal-credit

Local Council Welfare Rights Worker

All local authorities have a team who deal with benefit enquiries. Some will also deal with debt. Contact your local council.

Citizens Advice Bureaux (CAB)

www.cas.org.uk

Offices throughout Scotland offering advice and support on many issues including welfare benefits.

More help from OPFS

For further information about OPFS or our services, please contact:

One Parent Families Scotland,
2 York Place, Edinburgh, EH1 3EP

Tel: [0131 556 3899](tel:01315563899)
Email: info@opfs.org.uk
Helpline: [0808 801 0323](tel:08088010323)
Helpline email: helpline@opfs.org.uk
Visit our website: <http://www.opfs.org.uk>

You may also be interested in [these related information packs](#) available from OPFS:

Just separated – A guide for single parents
Benefits are changing – A guide for single parents
Child maintenance – A guide for single parents

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