

Universal Credit

Families - childcare costs element

Partner Presentation

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Introduction to Universal Credit and families

From the 24 November 2014, Universal Credit became available to jobseekers with children in certain parts of the country

Universal Credit will support families as they find work, increase their earnings and move towards financial independence

- It will do this by **making work pay, even if it's just for a few hours a week, providing the right incentives and support to meet a parent's needs and combining in and out of work benefits**
- Universal Credit payments will be made monthly to a household and can include:
 - A **child element**
 - A **disabled child addition to the child element** – this helps with the extra costs of bringing up a disabled child
 - A **childcare costs element** – this helps pay for registered childcare while someone is working
- A claimant will also still be able to receive the following benefits whilst claiming Universal Credit:
 - Child Benefit
 - Child Maintenance
 - Free School Meals and milk (if eligible)

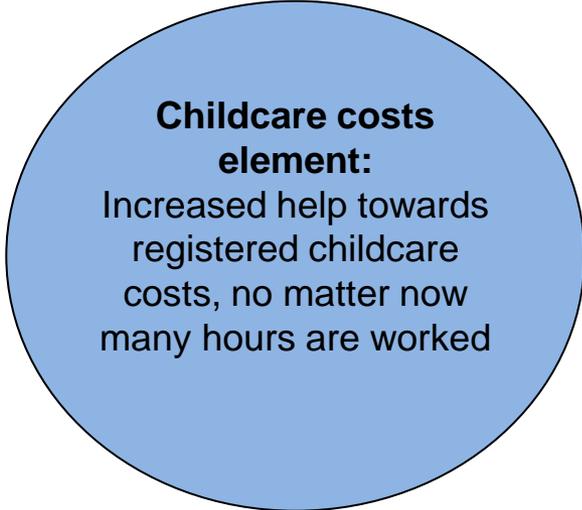
If a claimant is a lone parent, or the nominated responsible carer in a couple, with a child between the age of one and five they won't be asked to work in return for their Universal Credit but they may be expected to attend a work focused interview and discuss actions they may take to prepare for their return to work in the future.

Supporting working families

- The Government recognises the additional challenges faced by parents, especially lone parents, in entering employment. Work is the best and most sustainable route out of poverty, therefore Universal Credit aims to reduce the number of workless households by offering a package of support to enable parents to take up and stay in work
- A Universal Credit payment can include:



Child element:
provides a fixed rate of support for families with children, and includes an additional rate to support parents of disabled children.

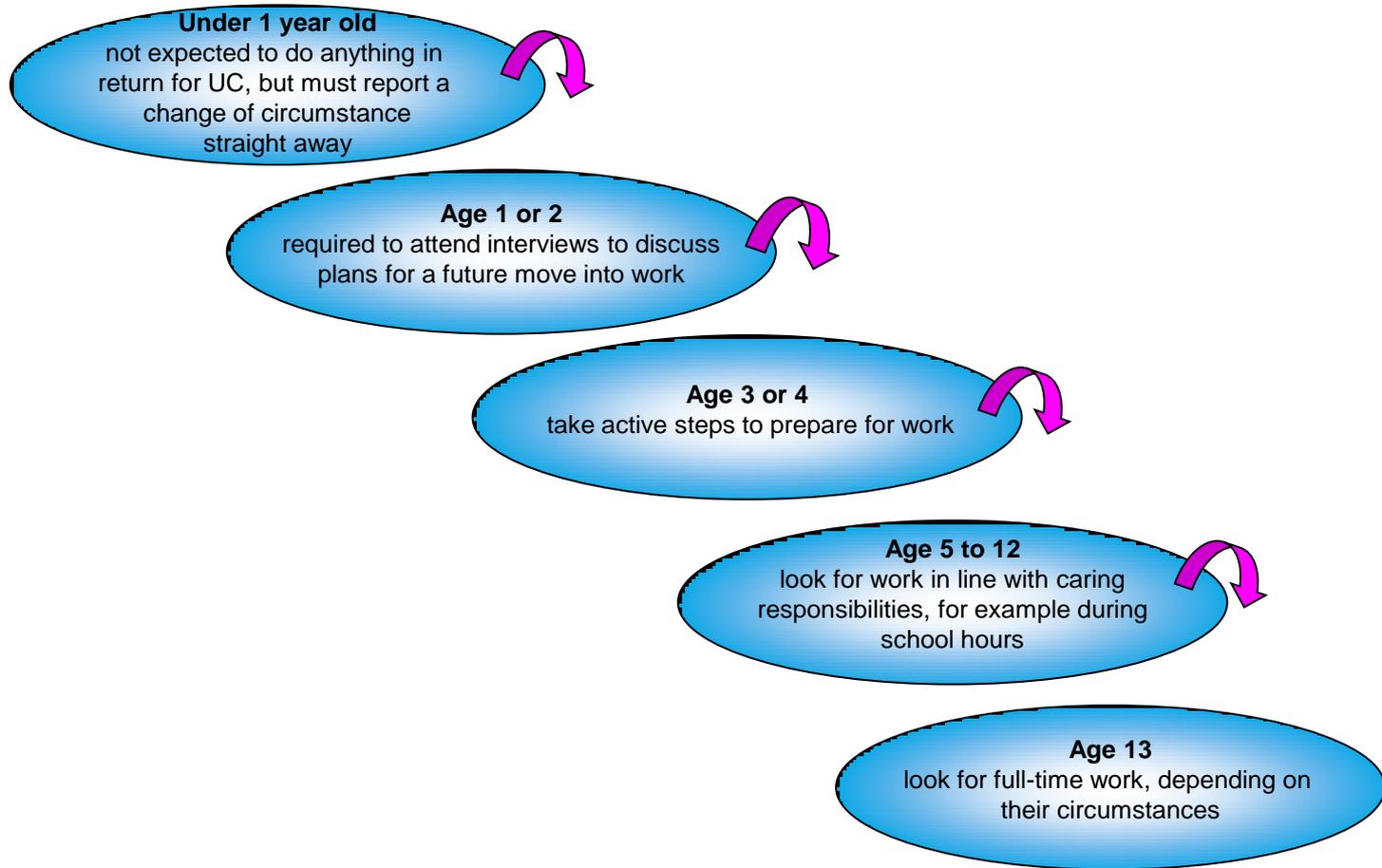


Childcare costs element:
Increased help towards registered childcare costs, no matter how many hours are worked

- To get the child element and childcare costs element in Universal Credit the claimant and their partner (if they have one) need to be the responsible carer for the children claimed for

Universal Credit support for families

- Claimant responsibilities at home will be taken into account when agreeing work activities in return for Universal Credit
- What is asked of a parent or nominated responsible carer in a couple will change as their youngest child gets older
- If the youngest child is in one of the following age brackets, then the parent or lead carer in a couple may be expected to undertake actions in return for their Universal Credit



Help with childcare costs

Childcare costs element:

offers support for 70% of families' monthly childcare costs up to a cap of £532 for one child and £912 for two or more children.



- Working families on Universal Credit can claim up to 70% of actual childcare costs up to a monthly cap and from 2016 this will be increased to 85%. In 2016 this will equate to a maximum monthly amount of £646 for one child and £1,108 for two or more children
- If a claim is from a couple, both parties would normally need to be in work to receive help with childcare costs
- Universal Credit will reimburse up to 70% of childcare costs paid to any OFSTED registered childcare provider

Universal Credit – childcare costs element supports families

- **For many parents, securing adequate childcare presents one of the biggest barriers to taking up or increasing work.** The childcare costs element forms part of a range of incentives removing barriers to work built into Universal Credit, ensuring parents can find work, and that that work pays
- **The childcare costs element is intended to provide support for childcare costs which enable the claimant to work,** therefore claimants and their partner if they are a couple must be in paid work, about to start paid work, or have recently ceased paid work, or meet one of a number of exemptions, e.g. temporary absence from the household



- The Universal Credit system can help secure a childcare place before employment starts, and should a job be lost, the support towards the childcare costs continues for a period of time whilst a new job is found

Childcare costs element – the key differences between Universal Credit and Tax Credits

Flexibility

No minimum hours
or earnings rules

Real Time

Monthly reporting of
actual childcare costs
– no more forecasting

Verification

Childcare provider OFSTED
registration number

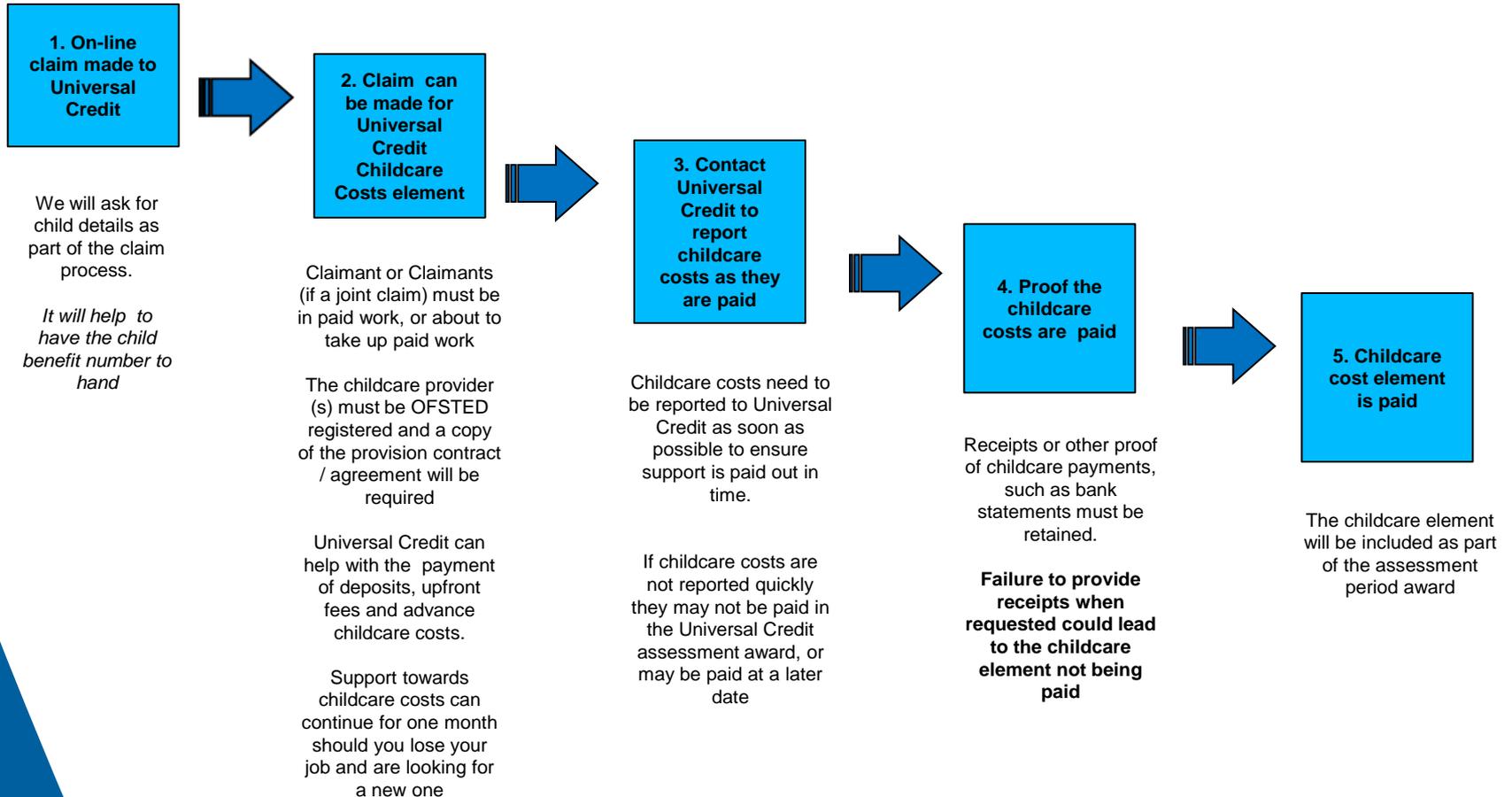
Proof of childcare provision
and payment required

Support

Help to find work

Financial security for parents
and childcare providers

Childcare costs element – claim process



Getting ready for Universal Credit – support and information

- The 'Universal Credit partner toolkit' is available at the following url:
<https://www.gov.uk/universal-credit-toolkit-for-partner-organisations>
- The 'Universal Credit and families: questions and answers' is available at the following url:
<https://www.gov.uk/government/publications/universal-credit-and-families-questions-and-answers>.
- The publication 'Universal Credit and your family' is available at the following url:
<https://www.gov.uk/government/publications/universal-credit-and-your-family-quick-guide>.
- The publication 'Universal Credit: claimant journey for families' is available at the following url:
<https://www.gov.uk/government/publications/universal-credit-claimant-journey-for-families>.
- The publication 'How Universal Credit supports families' is available at the following url:
<https://www.gov.uk/government/publications/how-universal-credit-supports-families>.