



Universal Credit – Partner Presentation

Updated 2 March 2015



Welfare Reform

Welfare Reform has introduced a simpler, fairer benefits system that helps ensure people are better off in work than on benefits.

Our reforms ...

Prepare the long-term unemployed for the world of work

Help to ensure people are better off in work than on benefits

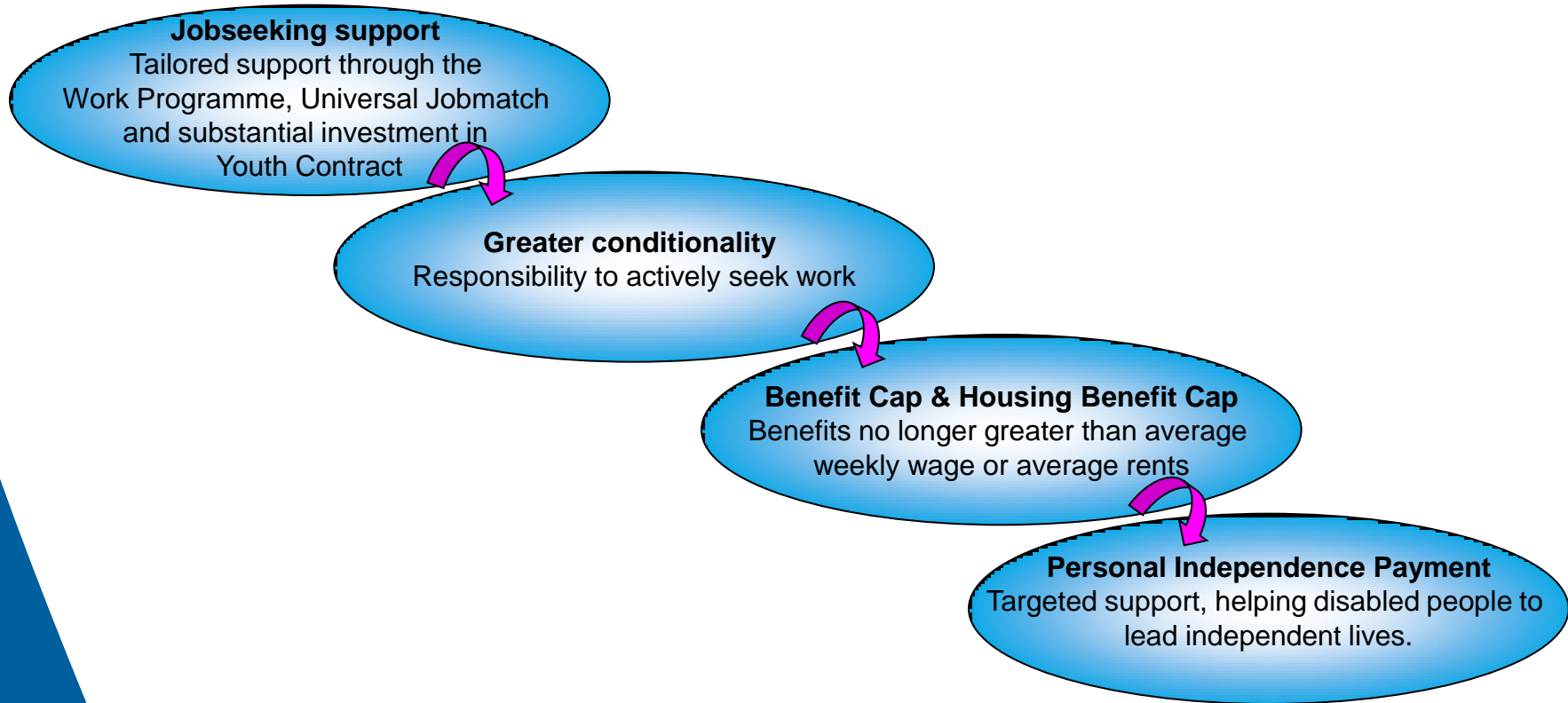
Ensure people receive a fairer pension and are encouraged to save for retirement

Support families to stay together

Provide unconditional support for those who need it

Welfare Reform

We have already introduced...



Welfare Reform

Universal Credit

is at the heart of these reforms.

It is a radical new service that reduces poverty by making work pay. Work is the best route out of poverty; under Universal Credit, people are more likely to be in work.

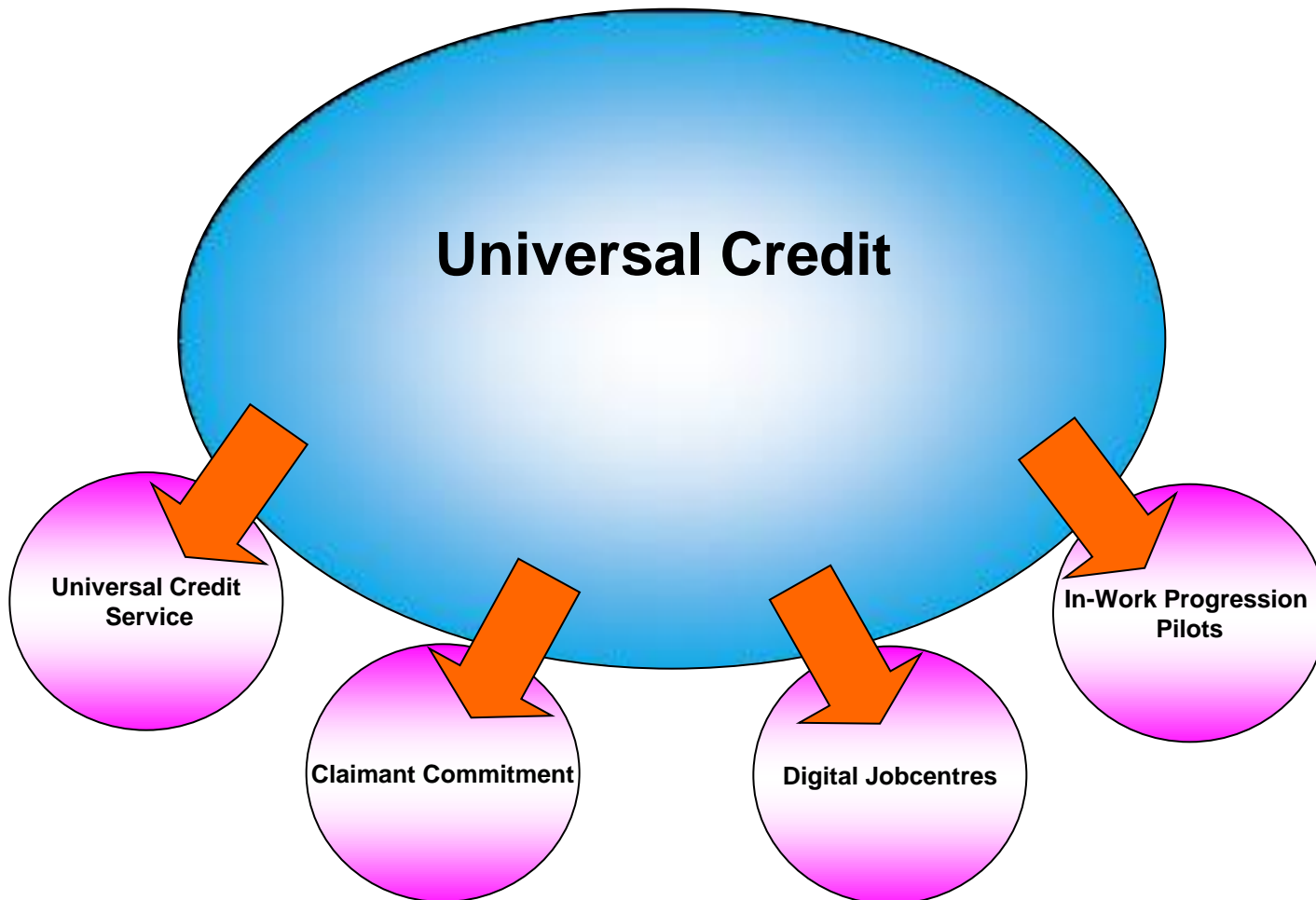
Universal Credit - it's all about work

- **Universal Credit aims to reward work.** No more 16 hour rule and no limits on the number of hours someone can work. The Universal Credit payment only reduces gradually as their take home pay increases so claimants won't lose all their benefits at once if they are on a low income
- **Universal Credit will encourage a new type of relationship with claimants.** Work coaches will help claimants to become more independent by supporting them in their worksearch activities. They will help claimants plan and focus their jobsearch as well as set them actions that give them the best chance of finding work
- **Universal Credit aims to support jobseekers through the Claimant Commitment** to raise their expectations of what they can achieve, and to encourage responsibility. Those who are fit and ready for work will be expected to look for a job on a full time basis dependent on circumstances
- **Universal Credit claimants are expected to use Universal Jobmatch**, an intelligent job matching service that helps employers to get the best fit for the jobs that they have on offer

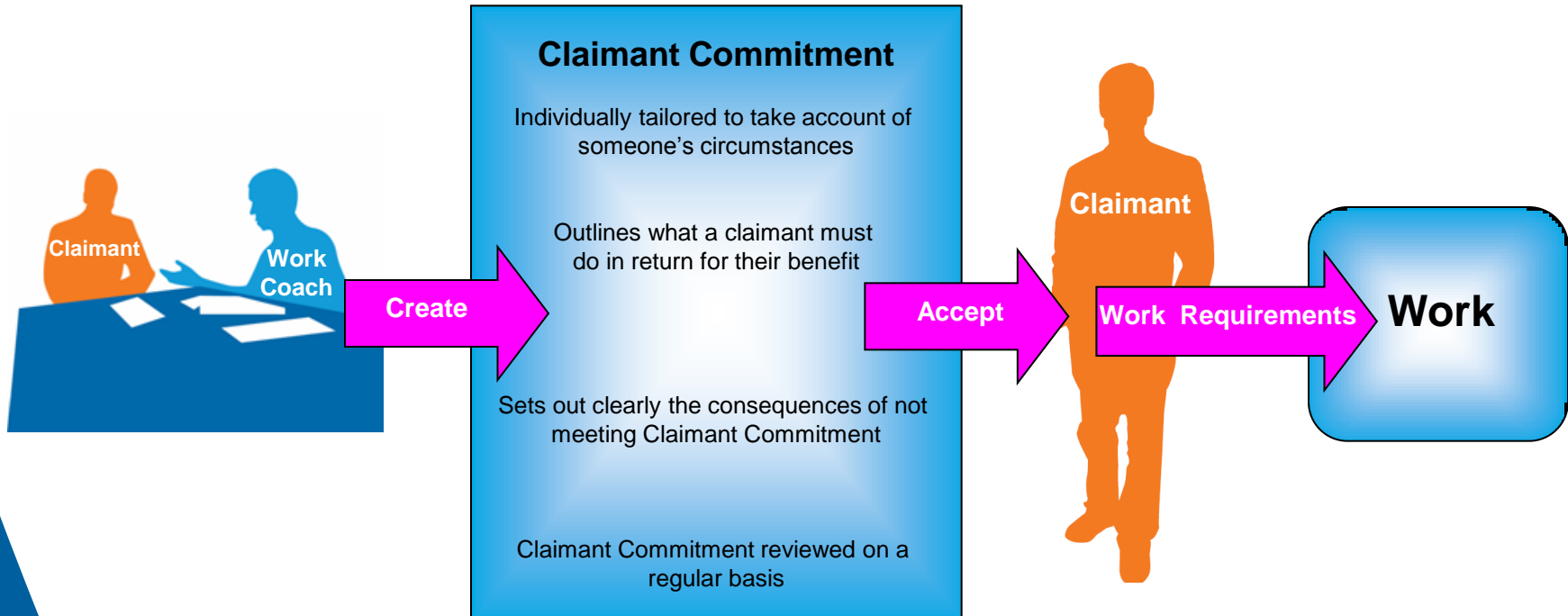
Delivering the policy - how Universal Credit is rolling out to eligible claimants

- Universal Credit rollout began on 29 April 2013 in Ashton-under-Lyne in Greater Manchester
- From 30 June 2014, we began taking new claims for Universal Credit from couples
- From 24 November 2014, we began to expand Universal Credit to families. From 2 March 2015, all original 96 live sites are taking claims from families
- From 16 February 2015, Universal Credit began to be rolled out to all jobcentres and local authorities across the country for single claimants

Delivering the policy



Claimant Commitment



Better off in work

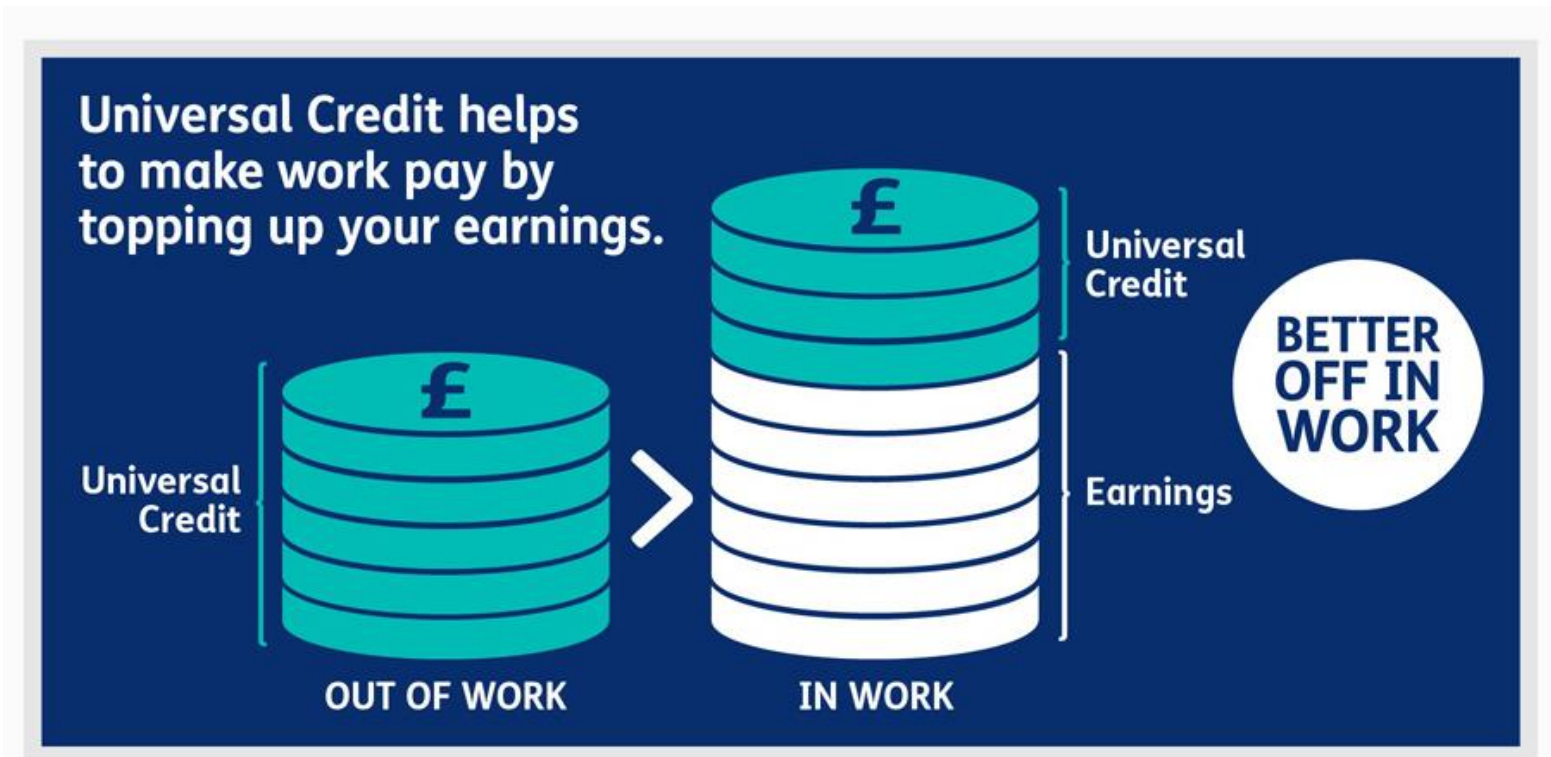
Universal Credit helps people be better off in work than on benefits by:

- Introducing a generally more generous work allowance
- Removing the limit to the number of hours someone can work each week
- Reducing a claimant's Universal Credit payment gradually as their earnings increase, so they won't lose all their benefits at once if they're on a low income
- 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

Making Work pay

Universal Credit helps to ensure people are better off in work than on benefits by:

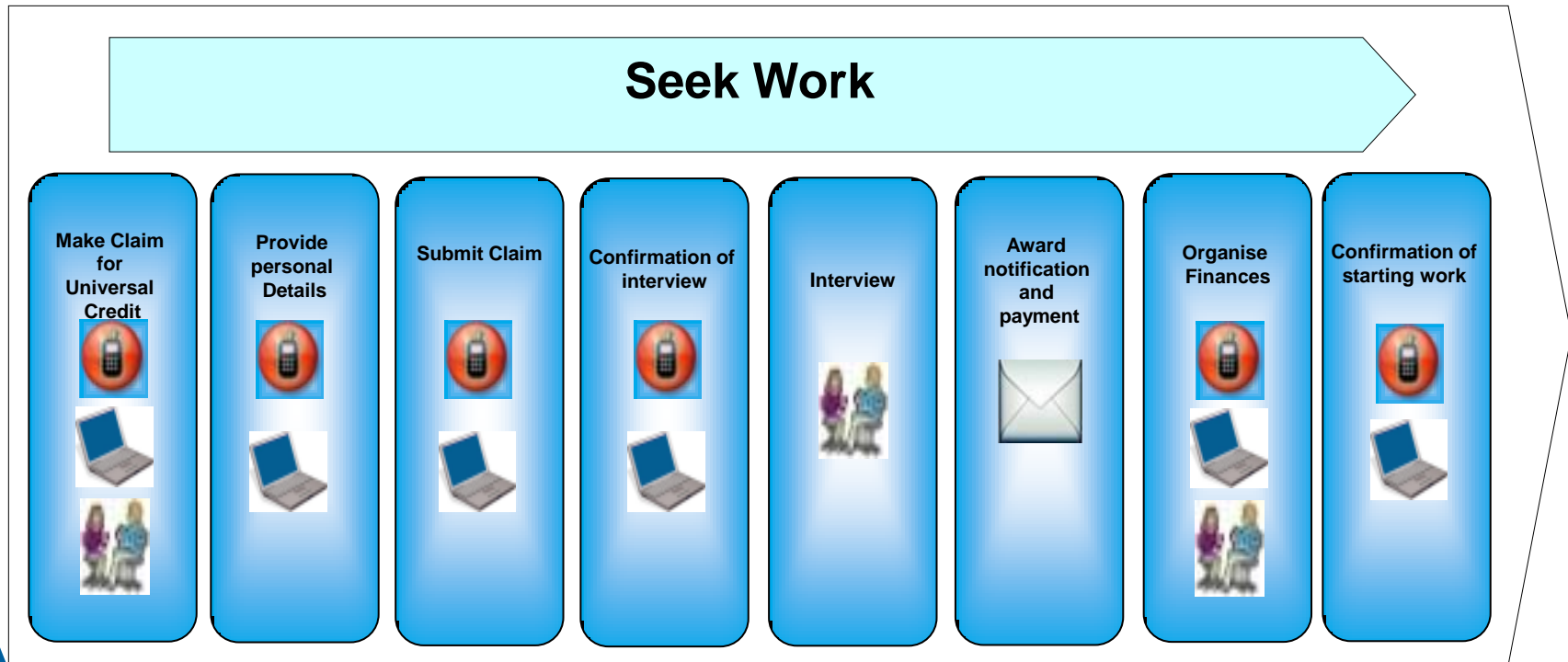
- Removing the limit to the number of hours someone can work each week
- Reducing a claimant's Universal Credit payment **gradually** as their earnings increase, so they won't lose all their benefits at once if they're on a low income



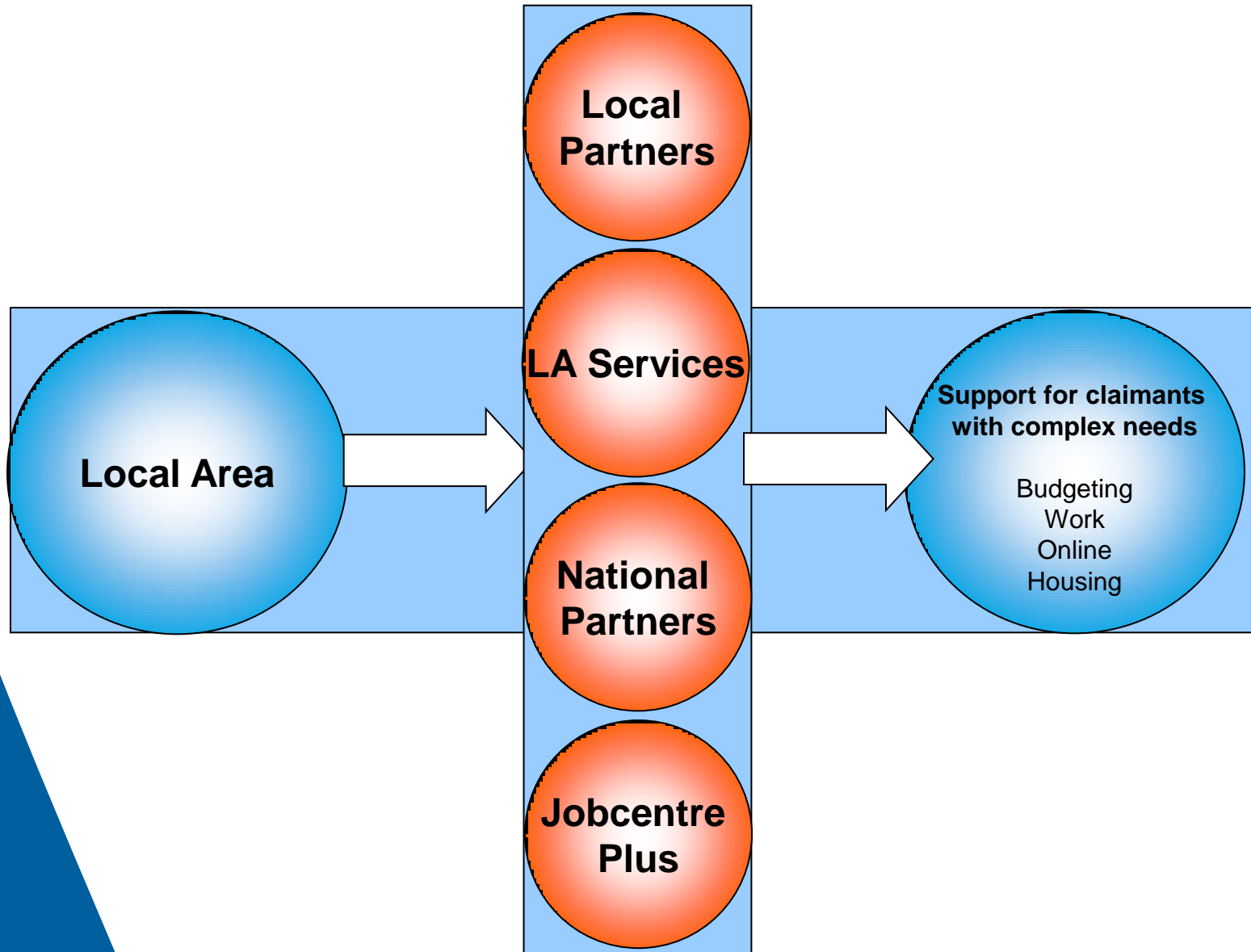
Eligibility

**Claimant goes
to
GOV.UK
to check latest position
as Universal Credit
gradually expands**

Claimant Journey

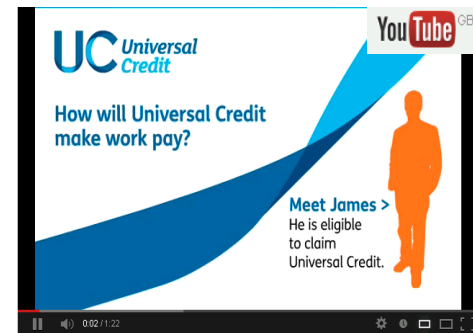
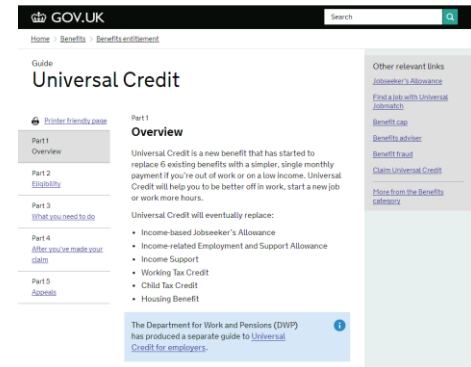


Support for claimants

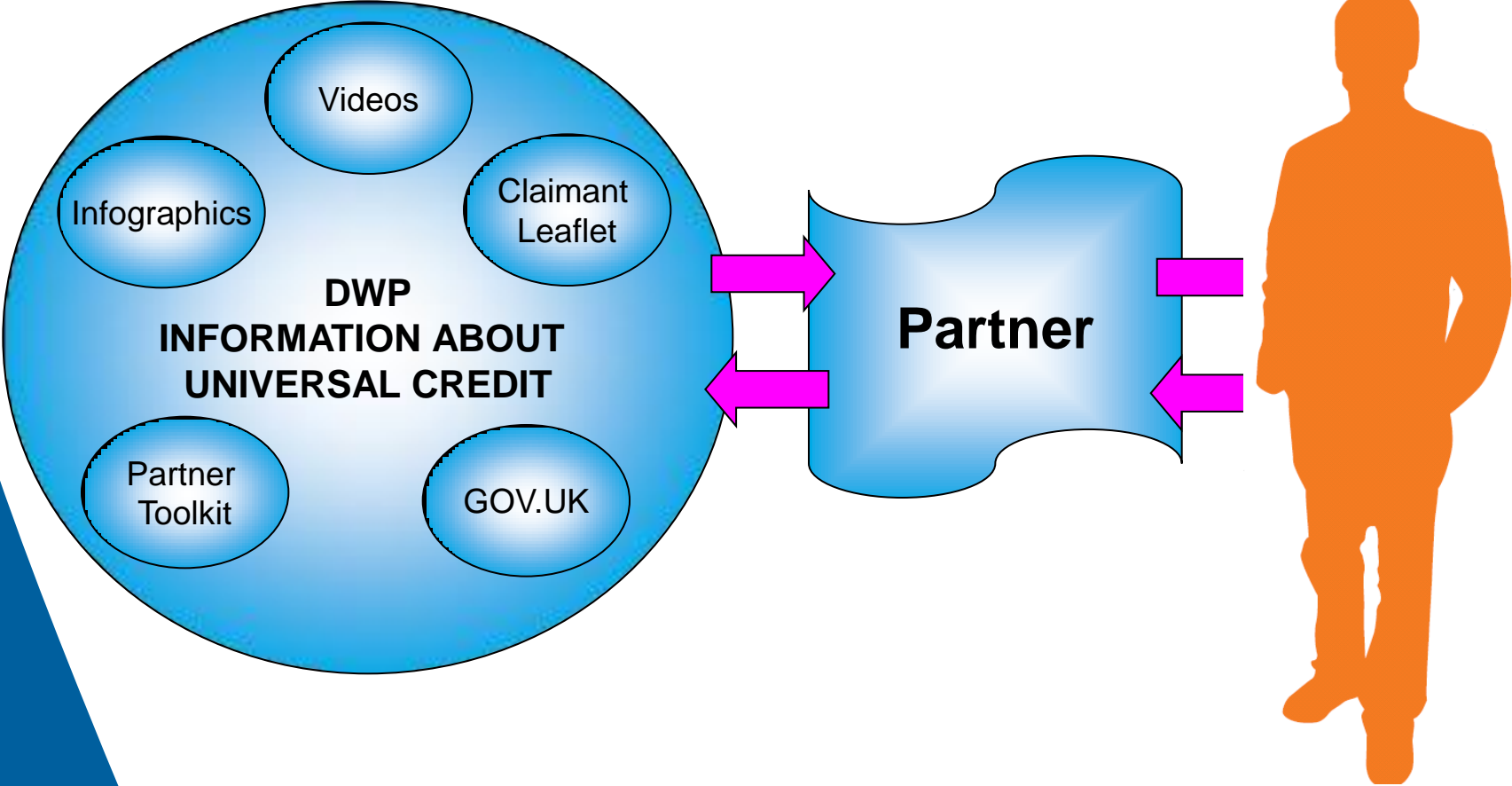


Communications – What we've done so far

- GOV.UK
- Claimant Leaflet
- Partner Toolkit
- Infographics
- Videos



Your role



Additional Slides

Please delete the following slides as appropriate for audience:

- **Universal Credit and you family**
- **Universal Credit if you have a disability or health condition**
- **Universal Credit and work**
- **Universal Credit works for employers**

Universal Credit and your family

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 element to Universal Credit** helps with the extra costs of bringing up a disabled child
 - The **childcare element** 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

Universal Credit and Disability or Health Condition

Universal Credit provides claimants who have a disability or health condition with financial and back-to-work support to meet their needs.

That means:

- If a claimant is able to work they will get the right service and help to reach their goals
- If a claimant is in work they will be able to keep more of what they earn so they're better off for every additional hour work, whether in a full or part-time job
- If a claimant can't work they will still get the support they need
- There are two levels of payment for claimants with health conditions or disabilities - one for people who need the most support and a lower rate for people who need less
- Applications for Universal Credit will be made online. Extra support will be available to help someone do this and in some circumstances a claimant or their carer will be able to claim over the phone
- A claimant will need to attend a Work Capability Assessment after completing their application for Universal Credit to see if a health condition or disability affects their ability to work – this will influence what conditions are included in their **Claimant Commitment**

Someone may be able to claim other benefits on top of Universal Credit including **Disability Living Allowance** and the **Personal Independence Payment**

Universal Credit is not currently available to new claimants with health conditions or disabilities

Universal Credit and work

Universal Credit aims to make sure claimants are better off in work than on benefits

- That's because Universal Credit makes it easier for a claimant to start a new job or work more hours as:
 - There is **no 16 hour rule** and **no limits** on the number of hours someone can work
 - Someone's Universal Credit payment only reduces gradually as their take home pay increases so they won't lose all their benefits at once if they are on a low income
 - An additional £200 million is being invested into childcare support, on top of £2 billion already spent under the current system – paying up to 70% of childcare costs for anyone in work
- To help claimants meet the terms of their Claimant Commitment a Universal Credit work coach will give them **extra help** with their jobsearch including:
 - Universal Jobmatch
 - Youth Contract
 - Work Programme
 - National Careers Service Apprenticeships
 - Access to Work
 - Government funded skills training
 - New Enterprise Allowance
 - Work Choice

Universal Credit works for employers

Universal Credit boosts business as employees can work any hours a business needs without losing their benefit if they are on a low income

- Universal Credit provides employers with a more **flexible workforce** – removing the 16 hour rule makes it easier for claimant employees to **move in and out of work** and **increase their hours**, so employers will find it easier to fill temporary vacancies and access a wider pool of applicants
- Universal Credit is an in and out of work benefit, so over time existing employees who have been claiming Tax Credits will move over to claim Universal Credit
- Universal Credit payments are linked to how much an employed claimant has earned. This information is captured through the new **Pay as You Earn (PAYE) reporting in real time** to HMRC. This reduces employer administrative burdens and simplifies reporting for starters and leavers
- Accurate reporting of employees' PAYE information on time will be key to a smooth process for the employee so that the correct Universal Credit payment can be made on time too