



UNIVERSAL CREDIT FOR STUDENTS

April 2024

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We work to understand what causes poverty and the impact it has on children's lives, and how it can be prevented and solved – for good.

We provide training, advice and information to make sure hard-up families get the financial support they need.

April 2024. This factsheet will be updated online. Check for the latest version at: cpag.org.uk/welfare-rights/benefits-scotland/more-info/benefits-students-factsheets

INTRODUCTION

Universal credit for students is one of a series of Child Poverty Action Group in Scotland factsheets giving guidance to advisers who are working with people who are studying or thinking about doing a course of education.

This factsheet has information about universal credit, and when students can get this. It covers information about the main universal credit eligibility rules as they apply to students, but there are other general rules to satisfy, so seek advice (see 'Further information and advice'). European nationals must satisfy additional rules - see CPAG in Scotland's [Rights to benefits and tax credits for European nationals factsheet](#) for more details.

MIGRATION TO UNIVERSAL CREDIT

Many people are already on universal credit (UC), which is gradually replacing most means-tested benefits. But some people are still on 'legacy benefits' (see below). Usually, no new claims can be made for legacy benefits – you have to claim UC instead. There is an exception if you live in 'specified' supported or temporary (eg, homeless) accommodation. In this case you claim housing benefit for help with rent.

UC replaces the following benefits and tax credits, sometimes referred to as legacy benefits:

- income support (IS);
- income-based jobseeker's allowance (JSA);
- income-related employment and support allowance (ESA);
- child tax credit (CTC);
- working tax credit (WTC); *and*
- housing benefit.

If you are on legacy benefits, you should get independent advice before claiming UC, to check it is the best option for you. Sometimes a change in circumstances means it is best to claim UC, and your legacy benefits will end. This is referred to as 'natural migration'.

If you get a 'migration notice', you are expected to claim UC within three months. This is often referred to as 'managed migration'. Special rules allow students who manage migrate to UC to get UC even if they are not a student who can normally get UC. Whether you claim UC or not, your legacy benefits will stop after the three months are up. See www.gov.uk/guidance/tax-credits-and-some-benefits-are-ending-move-to-universal-credit

UNIVERSAL CREDIT CLAIMS AND ADMINISTRATION

You start your claim for UC online at gov.uk/apply-universal-credit. If this is not possible for you, you can get assistance from the UC helpline on 0800 328 5644 (freephone).

Administration of UC is by the Department for Work and Pensions (DWP), and payments are made monthly in arrears. It may be five weeks or more from claiming UC until your first payment is received. If you need money sooner you can ask for a short-term advance, which is repayable from your UC once payments start.

You do not usually need to report changes in earnings as an employed earner, as HM Revenue and Customs provide this information directly to the DWP in most cases. You do need to tell them about other income, such as student loans and grants, and to tell them you have started studying.

WHO CAN CLAIM UNIVERSAL CREDIT

Once you claim UC you stay on it, even if your circumstances change, eg, if you start a part-time or full-time course of study, have a baby or become disabled. However, if you no longer meet the basic entitlement rules, eg, because you start a full-time course and are not a student who can get UC, or if your income is too high, your UC will stop.

You can get UC if you have a low enough income, whether you are in or out of work. You can claim regardless of your circumstances, provided you meet basic conditions about age, education and residence in the UK, and you do not have capital of £16,000 or more. So, for example, parents, people with a disability and unemployed people can claim UC. It can include amounts for adults, children, disability, caring responsibilities, rent and childcare, depending on your circumstances.

UC is for people aged 18 or over, although some 16/17-year-olds can claim, for example, if you are estranged from your parents, are a parent yourself, are sick or disabled, or are caring for someone with a disability.

You may not be eligible for UC if you are not a UK national, although this is complex, so seek advice.

Universal credit and other benefits

Although working age means-tested benefits and tax credits (legacy benefits – see p2) will mostly cease to exist in the next few years, most other benefits will continue, either as before or with some changes. For example, child benefit will continue to exist as a separate benefit for people with children, and adult disability payment will continue to exist as a separate benefit for people with disabilities.

A 'new-style' contributory ESA and JSA exist, along with UC. You can claim these if you have paid enough NI contributions. If you are a full-time student and meet the qualifying conditions, you are eligible for new-style ESA. However, if you are a full-time student you are only eligible for new-style JSA if you have taken time out from your course because of illness or caring responsibilities, you have now recovered or your caring responsibilities have ended, and you are waiting to rejoin your course.

For more information about other benefits you may be able to claim while you are studying, see CPAG's *Benefits for Students in Scotland Handbook* (see p11).

UNIVERSAL CREDIT AND STUDENTS

You may be advised to claim UC if you have a change of circumstances. You should always seek advice about whether this is the best course of action, for example from a CAB or other welfare rights adviser.

This section sets out the rules for you if you already get UC and you start a course, or if you are already a student and you migrate to UC from legacy benefit (and see Migration to UC section, p2). Generally, if you become a student, you will not be able to continue to get UC, but there are exceptions.

Who is a student for UC?

You count as a student (the law says you are 'receiving education') for UC if you are:

- in full-time (over 12 hours per week) non-advanced education which you started (or were accepted or enrolled on) when you were under 19, and you have not yet reached 31 August after your 19th birthday, or
- on a full-time course of advanced education, or
- on another full-time course for which a loan, grant or bursary is provided for your maintenance, or
- (if none of the above apply) on a course which is not compatible with your work-related requirements (see below).

If you count as a student, you cannot get UC unless you are in one of the groups of students who can claim (below), or if you have claimed UC after getting a migration notice. If you do not count as a student under any of the definitions above, you can claim UC under the normal rules. This could apply if you are over 20 on a non-advanced course with no student income, and the course is compatible with your work-related requirements.

Examples

Zoe is on a full-time advanced course and gets a student loan. She is 'receiving education', and is not eligible for UC as she is not in any of the groups of students that can claim UC.

Peter is on a full-time non-advanced course, and is 21. He gets UC and has limited capability for work-related activity. This means he has no work-related requirements. He gets no student funding. He therefore does not count as 'receiving education' and can remain on UC.

Joan is 24 and on a full-time advanced course. She therefore counts as 'receiving education'. She is not eligible for UC as she is not in any of the groups of students that can claim UC. She gets WTC and receives a migration notice. She claims UC and can receive it during the course, as the usual exclusions from UC do not apply in this situation.

Which students can claim UC

If you do not count as a student ('receiving education'), for example because you are over 20 on a non-advanced course with no student income, and the course is compatible with your work-related requirements, see above (and example of Peter).

If you are studying and receive a migration notice, see Migration to UC section, p2.

Otherwise, you are only eligible for UC if you are a student ('receiving education') and:

- you are a parent ('responsible for a child'). You must have a child that is under 16, or 16-19 in full-time non-advanced education. Where separated parents share the care of a child, only one can be responsible (the one with 'main' responsibility);
- you are ill/disabled. You must have limited capability for work (assessed by the DWP) before you start your course, and also get disability living allowance (DLA), child disability payment (CDP), personal independence payment (PIP) or adult disability payment. If you have not yet been assessed as having limited capability for work, you cannot claim UC. Instead, you can claim 'new-style' (contributory) ESA on a credits-only basis to have your limited capability for work assessed, and then claim UC when your course has ended, and before you start any subsequent course;
- you are under 21 (or are 21 but were under that age when you started your course) on a full-time nonadvanced course and are 'without parental support' (see below), eg, you are estranged from your parents or living away from them in other specified circumstances;
- you are a single foster parent (this includes some single kinship carers), or you are in a couple, both of you are students, and one of you is a foster parent;
- you are over pension age (this is age 66) and your partner has not yet reached that age;
- you have taken time out of your course because of illness/disability or caring responsibilities and have now recovered or your caring responsibilities have ended, and you are not eligible for a grant or loan; or

- you have a partner who is not a student, or who is a student and one or both of you fit into one of the groups above.

Definitions: 'Without parental support' means you:

- have no parent, or
- are living away from parents because you are estranged from them, or because there is a serious risk to your physical or mental health, or you would suffer significant harm if you lived with them; or
- are living away from parents who cannot support you financially because they are ill or disabled, in prison, or not allowed to enter Britain.

'Parent' includes someone acting in place of a parent.

Note: if you are aged 16 or 17 and a student you can only claim UC if you fit into one of the first three bullet points above (ie, you are responsible for a child; ill/disabled; or 'without parental support' and in non-advanced education). 16/17-year-old care leavers who are students can only claim if they are responsible for a child, or are ill/disabled, and cannot get help with rent.

Examples

Becky is 24 and on a full-time advanced course and is a lone parent with a five-year-old child. She is eligible for UC.

Sam is 20 and is ill and cannot work, but does not get ADP, DLA or PIP. He is on a full-time advanced course. He is not eligible for UC.

Jasper is 16 and on a full-time non-advanced course. He is estranged from his parents. He is eligible for UC.

Fiona and Rory live together as a couple. Rory is on a full-time advanced course. Fiona is unemployed. They can get UC.

UNIVERSAL CREDIT AND LOOKING FOR WORK

If you claim universal credit (UC), what you have to do in terms of looking for work can range from having no work-related requirements, to having to look for full-time work.

If you are a student, there are no work-related requirements if you are:

- under 21 (or 21 and turned 21 on your course) in full-time non-advanced education and without parental support; or
- eligible for UC under the usual student exceptions - eg, a parent, and you are in receipt of student income which is taken into account for UC (ie, a student loan, or a grant for maintenance). Note: this does not apply if you are eligible because you have taken time out of your course due to illness/disability or caring responsibilities, and have now recovered or your caring responsibilities have ended. It also does not apply over the summer vacation when student income is generally ignored.

If you do not fit into one of the two bullet points above, you may nonetheless have no work-related requirements under the general rules, for example if you are responsible for a child under one, or you have limited capability for work-related activity.

If you do not fit into any of these groups you may be subject to all work-related requirements, and would therefore have to be available for and actively seeking work.

You may be sanctioned if you are subject to work-related requirements and are not meeting them. A sanction would mean a reduction in UC equal to the amount for an adult.

Example

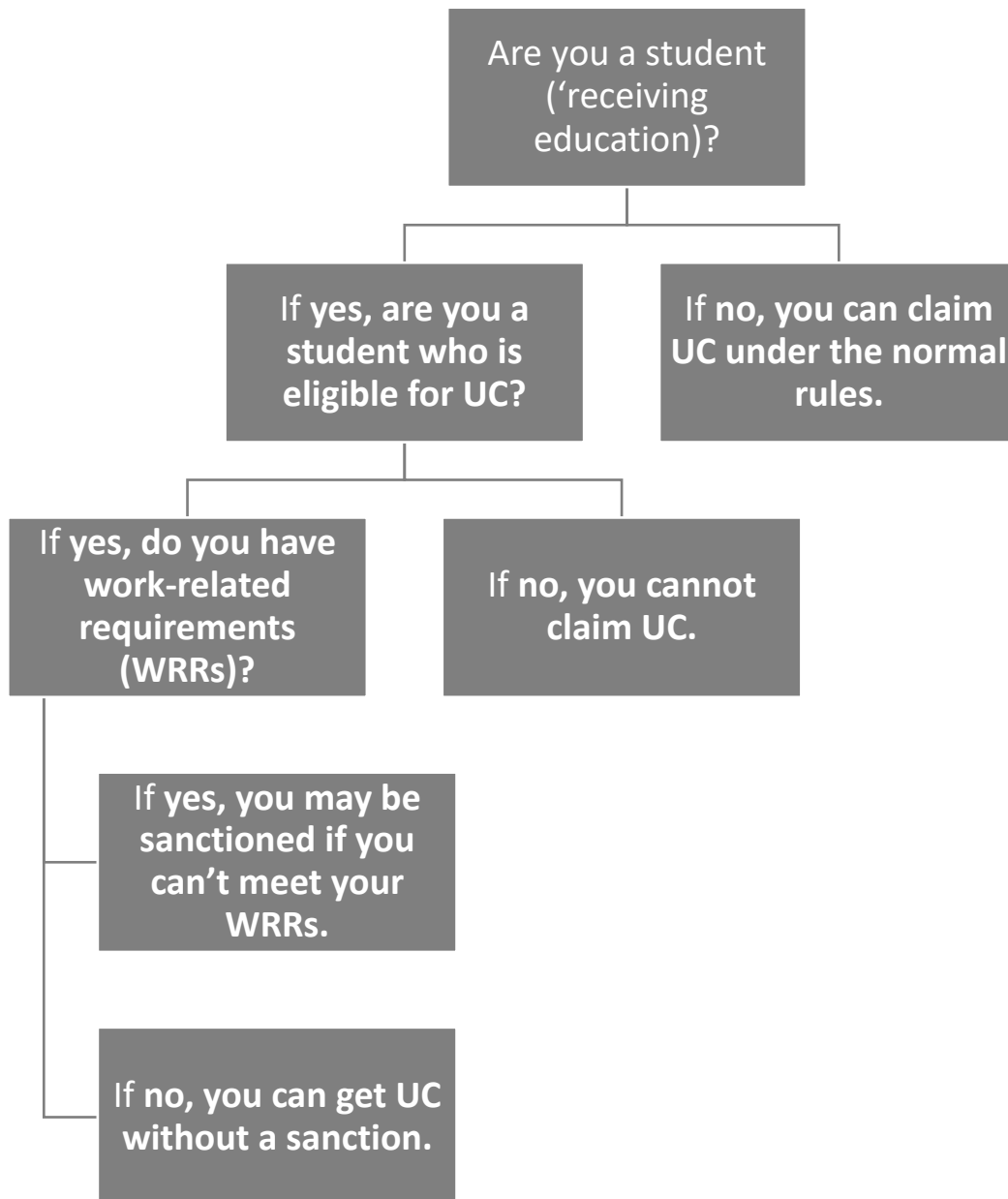
Stella is 23 and on a full-time non-advanced course. She has a five-year-old child. She does not get a loan or bursary. She is subject to all work-related requirements.

Paula is 23 and on a full-time non-advanced course. She has a five-year-old child. She gets a further education maintenance bursary. She has no work-related requirements.

Laura is 23, on a full-time advanced course and gets a student loan. She has a five-year-old child. She has no work-related requirements.

FLOWCHART: STUDENTS AND UNIVERSAL CREDIT

Use the flowchart below to check whether a student can get universal credit, referring to the sections 'universal credit and students' and 'universal credit and looking for work', above.



UNIVERSAL CREDIT AND STUDENT INCOME

If you have student income it will usually count as income for universal credit (UC). Most other income you have counts as income for UC as well. Student income includes student loans and grants paid to you for your course. UC takes almost all of student income into account. This is different to child tax credit (CTC), where most student income is ignored.

One-off payments from discretionary funds count as capital rather than income. As such, if household capital/savings is less than £6,000 it does not affect UC at all, if it is between £6,000 and £16,000 UC is reduced, and if it is above £16,000 no UC can be awarded.

The special support loan, introduced from the academic year 2024/25, will not count as income for UC, as it is specifically for travel, childcare and study costs.

Student loans for maintenance

If you are eligible for a student loan for maintenance it counts as income for UC. The maximum loan you could be entitled to by taking 'reasonable steps' is taken into account, even if this is reduced because of household income. A dependent's grant or lone parent's grant paid as well as your loan counts as income, but other grants are disregarded (as long as they are not to support your partner or child/ren, or to pay rent covered by UC).

Grants

If you do not get a loan, but you receive grant income (eg, a nursing bursary, a care-experienced bursary, or an FE bursary maintenance allowance), the grant income is taken into account for UC (subject to the disregards set out below). If you do get a loan, see the section above for what grant income is taken into account.

Education maintenance allowance (EMA) payments are disregarded.

Grant income is disregarded if you do not get a loan and it is paid for any of the following:

- tuition fees or exams
- in respect of your disability
- extra costs due to residential study away from your usual place of study during term time
- the costs of your normal home (where you live somewhere else during your course) unless those costs are met by your UC
- the maintenance of someone who is not included in your UC claim, or
- books, equipment, course travel costs or childcare costs.

Calculating student income for universal credit

UC is paid monthly, for an 'assessment period' (a period of one month following your date of claim, and each subsequent month). Student income counts as income from the assessment period in which the course/course year begins, and for every assessment period during the course/course year. It is ignored in the assessment period in which the last week of the course or the start of the long vacation falls, and in any assessment periods that fall completely within the long vacation.

£110 of student income is disregarded in each assessment period that is affected by such income.

Example: UC and student loan

Susan is 23, has a three-year-old child and lives in a 2-bed private rented property in Edinburgh. She gets UC of £1,399.60 per month (£311.68 standard allowance + £287.92 child element + £800 for rent).

She is starting a two-year full-time HND course on 2 September 2024. Susan's income for UC is a student loan of £8,000 and a lone parent's grant of £1,305 (she also gets a £2,400 special support loan and an independent students' bursary of £1,000, which don't count as income for UC).

Year one of her course runs from 2 September 2024 to 23 May 2025. Her UC assessment periods run from the tenth of the month to the ninth of the following month. Her loan counts as income over nine assessment periods in the first year of her course (from 10/8/24 to 9/5/25).

Student income for UC is student loan of £8,000 and lone parent's grant of £1,305 (total £9,305).

$£9,305 / 9 = £1,033.89.$

$£1,033.89 - £110 = £923.89.$

Susan's UC will be reduced by student income of £923.89 per month from 10 August 2024 to 9 May 2025, so she will get UC of £475.71 per month from 10 August 2024 to 9 May 2025. From the UC assessment period beginning 10 May 2025 she will get her full UC ie, during the summer vacation between the first and second years of her course (but may also have work-related requirements). Her UC will reduce again in the assessment period in which the second year of her course begins.

CHILD POVERTY ACTION GROUP IN SCOTLAND

Advice line for frontline advisers and support workers

0141 552 0552 Monday – Thursday 10am – 4pm; Friday 10am – 12 noon

Email: advice@cpagscotland.org.uk

CPAG in Scotland advice line is only for advisers. If you are a student or thinking of doing a course of education and are in need of advice, contact your college/university student welfare services, or your local Citizens Advice Bureau.

FURTHER INFORMATION

- CPAG in Scotland's Benefits for Students work, including factsheets, and training courses on students and benefits for workers of different levels of experience, go to cpag.org.uk/welfare-rights/support-advisers/support-advisers-scotland/advising-students-scotland
- CPAG in Scotland's free online Benefits for Students in Scotland Handbook go to askcpag.org.uk/publications/scotland
- View our full range of factsheets on benefits for students at: cpag.org.uk/welfare-rights/benefits-scotland/more-info/benefits-students-factsheets
- CPAG publishes the Welfare Benefits and Tax Credits Handbook, a comprehensive guide to benefits and tax credit for claimants and advisers. Find out more at: cpag.org.uk/shop
- We have a free Scottish student income and UC elearning course. See this and other elearning courses at elearning.cpag.org.uk
- Follow us on X @CPAGScotland
- For more information about the student funding available in Scotland (loans, grants etc) see www.studentinformation.gov.scot. You can also get more information at saas.gov.uk or from student services or advice staff in colleges and universities.

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