



BENEFITS AND TAX CREDITS FOR STUDENTS

October 2023

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.

This information is very general, and aims to highlight which students may be eligible for benefits. Anyone on benefits considering studying should seek accurate, full advice about entitlement, for example from their local citizens advice bureau or other advice agency.

WHAT BENEFITS ARE THERE?

The main benefit for people of working age is:

- Universal credit. It provides support for living costs, rent, children, childcare costs if you are working, and extra needs if you are disabled or a carer

You cannot usually make a new claim for the 'old' benefits UC is replacing, but if you are already on these benefits you can stay on them.

They include several benefits for basic living costs – you can claim one of these for yourself (or with a partner if you live with a partner):

- income support (mainly for lone parents and carers),
- income-related employment and support allowance (for people with a disability), or
- income-based jobseeker's allowance (for people looking for work)

A benefit to help pay for rent

- housing benefit

Extra money for the costs of children

- child tax credit

And to top up low-paid work

- working tax credit

These six benefits and tax credits in the bullet points above are gradually being replaced by universal credit. As mentioned above, you usually cannot make new claims for any of these benefits.

Other benefits for specific purposes can be paid alongside UC or the 'old' benefits – eg, child benefit, contributory employment and support allowance (ESA) for ill or disabled people, carer's allowance (this will gradually be replaced by carer support payment in 2023/24) for people caring for disabled people, and adult disability payment for disability costs.

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WHAT BENEFITS CAN STUDENTS GET?

Special rules restrict full-time students from claiming most benefits. Instead, students are expected to fund themselves through student funding - eg, loans and grants, rather than benefits. You need to start by working out who is a full-time and who is a part-time student (sometimes termed 'receiving education'). See CPAG's *Benefits for Students in Scotland Handbook* (details on page 4) for more information.

Part-time students can usually continue to get their benefits as before, although this may include having to continue looking for and being available for work if you are claiming universal credit or jobseeker's allowance.

Full-time students usually cannot get benefits for living cost support at all, but there are exceptions. These exceptions mainly apply to those who are vulnerable in some way - eg, parents, disabled students, and young people with no parental support.

Some benefits are not affected by studying. The main ones unaffected are child and working tax credits, child benefit, and disability benefits such as adult disability payment.

Full-time students cannot get carer's allowance. Most full-time students, however, will be eligible for the new carer support payment, being introduced in Scotland in 2023/24.

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MAIN GROUPS OF FULL-TIME STUDENTS WHO CAN CLAIM BENEFITS

The following groups are usually eligible, but see the next section for how student funding might affect the amount of benefit paid.

Note: most new claims are for universal credit. You cannot usually make a new claim for the 'old' benefits UC is replacing, with the exception of people in certain types of supported or homeless accommodation being able to claim housing benefit. Where 'old' benefits (income support, housing benefit, jobseeker's allowance, tax credits, income-related employment and support allowance) are listed below, these are mainly for existing awards. New claims cannot usually be made for these benefits.

- **parent students**, some **disabled students**, students with a **non-student partner** and **young people in further education who have no parental support** in certain circumstances (eg, because they are estranged) may be able to claim universal credit.
- **lone parents** can continue to get income support, as long as they have a child under five, and can continue to get housing benefit, child tax credit, and child benefit.
- **disabled students** can continue to get housing benefit and employment and support allowance. They can also claim adult disability payment (or continue to get personal independence payment or disability living allowance).
- **student couples with a child** can continue to get housing benefit, child tax credit, and child benefit.
- **parent students**, some **disabled students**, students with a **non-student partner** and **young people in further education** may be able to make a new claim for housing benefit if they are in certain types of temporary or supported accommodation – eg, homeless accommodation.

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EFFECT OF STUDENT FUNDING ON BENEFITS

Universal credit, income support, income-based jobseeker's allowance, income-related ESA and housing benefit are affected by most income that someone has. Loans and bursaries count as income. Education maintenance allowance (EMA) does not count as income. Tax credits are not usually affected by student funding.

Example

Leona is a lone parent with a two-year-old child in further education. She gets universal credit and child benefit. She gets a small bursary, and her universal credit is reduced by a small amount each month.

Leona moves onto a course of higher education and gets a student loan. Her monthly amount of universal credit reduces substantially during the academic year.

Example

Jeff is 17 and is estranged from his parents and living in his own council flat. He gets universal credit. He is on a full-time course of further education and gets an EMA. The EMA doesn't affect his universal credit.

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CHILD POVERTY ACTION GROUP IN SCOTLAND

Advice line for frontline advisers and support workers

0141 552 0552

Monday - Thursday 10 am to 4 pm; Friday 10 am to 12 pm

Email: advice@cpagscotland.org.uk

CPAG in Scotland's 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 local college/university student welfare services, or your local Citizens Advice Bureau.

FURTHER INFORMATION

- CPAG in Scotland's Benefits for Students Project go to cpag.org.uk/scotland/students-and-benefits-project
- 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 online at cpag.org.uk/scotland/factsheets
- CPAG publishes the *Welfare Benefits and Tax Credits Handbook*, a comprehensive guide to benefits and tax credit for claimants and advisers, online at askcpag.org.uk and in print at cpag.org.uk/shop/publications
- We run a wide range of training courses on students and benefits for workers of different levels of experience. Go to cpag.org.uk/scotland/training to find out more.
- We also have a free students and benefits elearning course: Scottish student income and universal credit. See this and other elearning courses at cpag.org.uk/scotland/training/elearning-zone
- Follow us on Twitter @CPAGScotland

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