

Benefits and tax credits for students

Benefits and tax credits for students is one of a series of Child Poverty Action Group in Scotland leaflets giving guidance to advisers who are working with people who are studying or thinking about doing a course of education. Child Poverty Action Group promotes action for the prevention and relief of poverty among children and families with children.

What benefits are there?

- Benefits for basic living costs - income support, jobseeker's allowance
- To help pay for rent - housing benefit
- To help pay council tax - council tax benefit
- For costs of children - child benefit, child tax credit
- To top up low paid work - working tax credit
- Other benefits for specific purposes, e.g. incapacity benefit and employment and support allowance (ESA) for ill or disabled people, carer's allowance for people caring for disabled people, disability living allowance for disability costs.

What benefits can students get?

Special rules restrict full-time students from claiming most benefits. They are expected to fund themselves through student funding, e.g. loans and grants, rather than benefits. Working out who is full-time and who is part-time, particularly in further education, is complicated. 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.

Full-time students usually cannot get benefits, but there are exceptions. These exceptions mainly apply to those who are vulnerable in some way e.g. lone parents, disabled students.

Some benefits are not affected by studying. The main ones unaffected are child and working tax credits, and child benefit.

Main groups of full-time students who can claim benefits

(The following groups can usually claim, but see next section for how student funding might affect the amount of benefit paid.)

- **lone parents** (income support, housing benefit, child tax credit, child benefit)
- **disabled students** (housing benefit, employment and support allowance, disability living allowance)
- **student couples with a child** (housing benefit; jobseeker's allowance or possibly income support over summer, child tax credit, child benefit)
- **young people in further education under 20 (and must be under 19 when accepted on, enrol on or start the course)**
 - housing benefit, if you are liable for rent
 - income support if you are without parental support and are estranged, orphaned, etc, or if you are a parent
 - if you are not claiming benefits, parents can usually get child tax credit, child benefit, etc. for you

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.

Effect of student funding on benefits

Income support, jobseeker's allowance, income-related ESA, housing benefit and council tax 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 in further education. She gets income support and housing benefit, as well as child benefit and child tax credit. She gets an EMA, and her benefits are not affected.

Leona moves onto a course of higher education and gets a student loan. Her income support and housing benefit are affected, meaning that she no longer gets any income support and a reduced amount of housing benefit.

Council tax

Full-time students are generally exempt from paying council tax. If only full-time students live in a property, then the property will not get a bill for council tax. If full-time students are sharing a flat with non-students then the non-students are liable for the council tax for that property.

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.

Further information and advice

Child Poverty Action Group in Scotland

0141 552 0552 advice line for advisers on benefits and tax credits

Monday, Tuesday, Wednesday and Thursday 10 am to 12 pm

This advice line is only for advisers. For help with your own benefits contact your college/university student welfare services, or your local citizens advice bureau.

E-mail: advice@cpagscotland.org.uk

e-mail advice for advisers on benefits and tax credits.

Web:

for more information about

- CPAG in Scotland's Benefits for Students Project and more leaflets go to www.cpag.org.uk/scotland/studentbenefitsproject
- CPAG's *Benefits for Students in Scotland Handbook* go to <http://scottishhandbooks.cpag.org.uk>.
- CPAG's *Welfare Benefits and Tax Credits Handbook*, go to www.cpag.org.uk

**CHILD
POVERTY
ACTION
GROUP**
in SCOTLAND

© Child Poverty Action Group, October 2009

Child Poverty Action Group is a charity registered in England and Wales (registration number 294841) and in Scotland (registration number SC039339). Company limited by guarantee registered in England (registration number 1993854). Registered office: 94 White Lion Street, London N1 9PF

CPAG in Scotland's Benefits for Students Project is funded by the Scottish Government.