



UNIVERSAL CREDIT AND STUDENTS

Child Poverty Action Group works on behalf of the one in four children in Scotland growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good.

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

INTRODUCTION

Universal credit (UC) is a new benefit which is due to replace most means-tested benefits by 2022. UC 'full-service' has been rolled out in most of the local authorities in Scotland. In these areas, usually no new claims can be made for 'legacy' benefits (see below) – you have to claim UC instead. The full service will be gradually extended to other areas (see <https://www.gov.uk/government/publications/universal-credit-transition-to-full-service>) and is expected to be rolled out fully by December 2018.

Exception: even if you are in a UC full service area, if you have three or more children, are not already getting UC, and need to claim benefit, you claim legacy benefits rather than UC. This exception is in place until at least 1 February 2019.

Legacy benefits

Universal credit (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 and working tax credit; *and*
- housing benefit.

Claims and administration

You start your claim for universal credit (UC) online at www.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 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.

WHO CAN CLAIM UNIVERSAL CREDIT

If you live in an area where universal credit (UC) has been introduced and try to claim one of the legacy benefits, you may be directed to claim UC instead (unless you have three or more children). 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, 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. You may also be able to apply for a loan for mortgage interest.

UC is for people aged 18 or over, although in some circumstances 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 will mostly cease to exist by 2022, 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 personal independence payment will continue to exist as a separate benefit for people with disabilities.

A 'new style' contributory ESA and JSA are introduced along with UC, in full-service areas. 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, but 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*.

UNIVERSAL CREDIT AND STUDENTS

Students may have to claim UC if they live in a UC full service area. If you do not live in a UC full service area you cannot make a new claim for UC. You can check your postcode at <http://universalcreditinfo.net/> to check if you are in a UC full service area. This section sets out the rules for anyone who already gets UC and starts a course, or for anyone in a full service area who has to claim UC. 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 for universal credit (UC) if you are:

- in full-time (over 12 hours per week) non-advanced education, and have not yet reached 31 August after your 19th birthday,
- on a full-time course of advanced education,
- 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 student who can claim (below). If you do not count as a student under any of the definitions above, you can claim UC under the normal rules.

Example

Joan is 24 and on a part-time advanced course. Her work coach says her course is not compatible with her work-related requirements, and 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 could try to persuade her work coach that her course is compatible with her work-related requirements, so that she does not count as 'receiving education' and is not excluded from UC.

Which students can claim UC

You are eligible for UC if you are a student and:

- you are responsible for a child. You must have a child that is under 16, or 16-19 in full-time non-advanced education;
- you are ill/disabled. You must have limited capability for work (assessed by the DWP) and also get disability living allowance (DLA) or personal independence payment (PIP). If you have not yet been assessed as having limited capability for work, the DWP is likely to refuse your UC claim. You should claim 'new-style' (contributory) ESA on a credits-only basis to have your limited capability for work assessed;
- you are under 21 (or are 21 but were under that age when you started your course) on a full-time non-advanced course and are 'without parental support', 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 the qualifying age for state pension credit (this is gradually increasing, and at April 2018 is 64.5 years; it is due to reach 65 in November 2018) 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 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.

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 as a student 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.

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, and could last for up to three years.

Examples

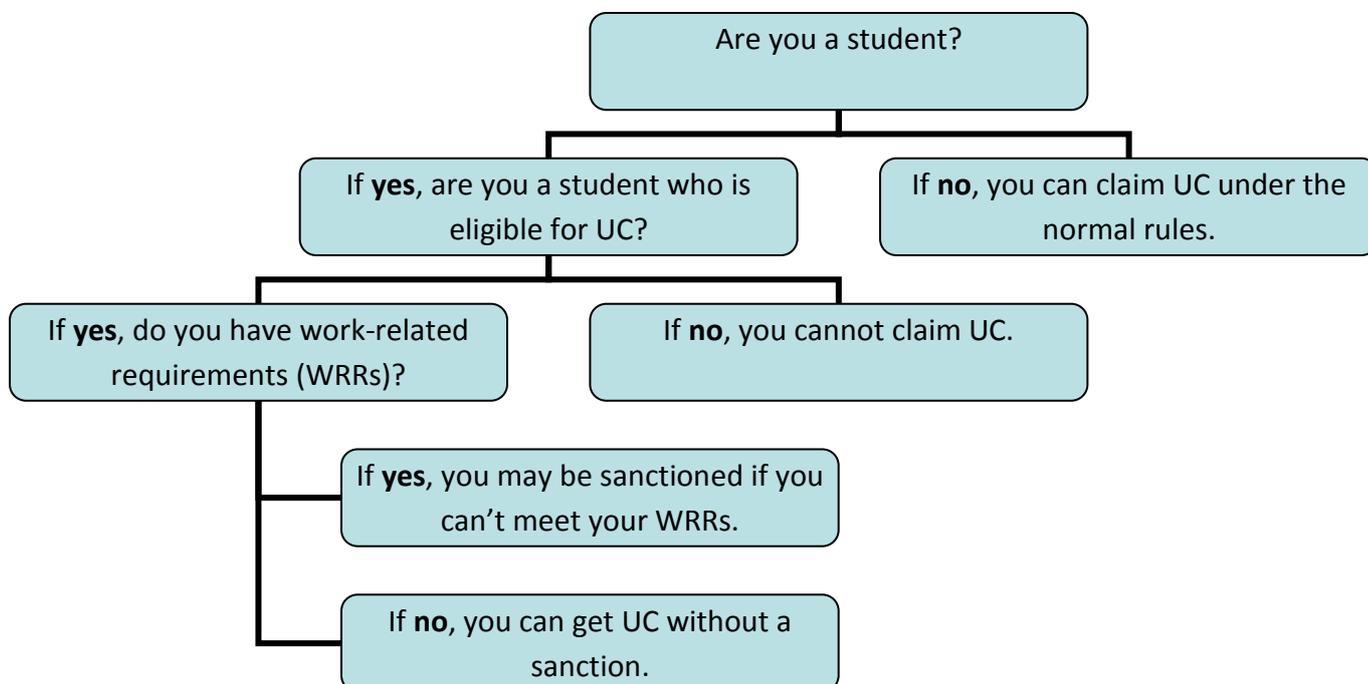
Stella is 23 and on a full-time non-advanced course. She has a five-year-old child. She does not get a loan or bursary. She is subject to all work-related requirements.

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). Note: 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.

Student loans

If you are eligible for a student loan it counts as income. The maximum loan you could be entitled to is taken into account (including any young students' bursary), even if this is reduced because of household income, or another grant. 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, 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 has a child and lives in a 2-bed privately rented property in East Lothian. She gets UC of £1234.90 per month. She started a two-year full-time HND course on 2 October 2017. Susan's income for UC is a student loan of £6,750 and a lone parent's grant of £1,305 (total £8,055). Year one of her course runs from 2 October 2017 to 18 May 2018. Her UC assessment periods run from the tenth of the month to the ninth of the following month. Her loan counts as income over eight assessment periods in the first year of her course.

$$£8055/8 = £1006.87$$

$$£1006.87 - £110 = £896.87$$

Susan's UC will be reduced by student income of £896.87 per month from 10 September 2017 to 9 May 2018, so she will get UC of £338.07 per month from 10 September 2017 to 9 May 2018. From 10 May 2018 she will get her full UC ie, during the summer vacation between the first and second years of her course. 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 to 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 <http://www.cpag.org.uk/scotland/students-and-benefits-project>
- Buy CPAG in Scotland's Benefits for Students in Scotland Handbook at www.shop.cpag.org.uk/benefits-for-students-in-scotland-handbook-2017-2018 or see the free online version at <http://www.onlinepublications.cpag.org.uk>
- View our full range of factsheets online at: www.cpag.org.uk/scotland/factsheets
- CPAG publishes the Welfare Benefits and Tax Credits Handbook, a comprehensive guide to benefits and tax credits for claimants and advisers. Find out more at: www.cpag.org.uk/bookshop
- We run a wide range of training courses on students and benefits for workers of different levels of experience. Find out more at: www.cpag.org.uk/scotland/training
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