UNIVERSAL CREDIT FOR LONE PARENT 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.

May 2018. This factsheet will be updated online. Check for the latest version at: www.cpag.org.uk/scotland/factsheets
INTRODUCTION

Universal credit for lone parent 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.

Lone parents considering going into education need accurate information about the money that will be available to them. This factsheet has information about universal credit for lone parents on a course of education. The factsheet also includes brief information on help with childcare costs. It does not include information about entitlement to ‘legacy benefits’ (see below).

Note that in this factsheet you will find information about the main universal credit eligibility rules for lone parents, 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 Benefits and tax credits for European students factsheet for more details.
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STUDYING FULL TIME

If you are in a universal credit (UC) ‘full service area’ you have to claim UC. This is an area in which UC is fully rolled out for all claimant groups. It is not possible to make a new claim for ‘legacy benefits’ (income-based jobseeker’s allowance, income support, income-related employment and support allowance, housing benefit, child tax credit and working tax credit) in a UC full service area. (Note: There is an exception for people who have three or more children and have not yet claimed UC. In this case you can still make a new claim for child tax credit and other legacy benefits. This exception is in place until at least 1 February 2019.) If you have a change in circumstances that would normally require you to claim one of the legacy benefits being replaced by universal credit, you cannot do so and must claim UC instead.

If you are not in a UC full-service area, you can claim legacy benefits. See CPAG’s factsheet Benefits and tax credits for lone parent students for more information.

Check whether or not you are in a full-service area at https://universalcreditinfo.net/

Key facts

If you are a lone-parent full-time student then:
- you are eligible for universal credit if you are ‘responsible for a child’;
- in higher education, you might not get any/much universal credit during the academic year if your grant or loan is too high, but are likely to get more in the summer vacation, when the grant and loan are ignored as income;
- in further education, you can stay on universal credit, and may be eligible for a discretionary bursary maintenance allowance of £28 per week as well;
- in the summer vacation you are likely to have to look for work, to continue to get the full amount of universal credit;
- you can claim child benefit.

Are you eligible for universal credit?

Being ‘eligible’ means you have passed the first hurdle to getting benefit. The next step is an income assessment to decide if you actually get benefit. Check this section first to see if you are eligible. Then look below under ‘During the academic year’ and ‘During the summer vacation’ to see how your grant or loan might affect things.

Universal credit (UC) replaces ‘legacy benefits’ (income-based jobseeker’s allowance, income support, income-related employment and support allowance, housing benefit, child tax credit and working tax credit). You claim UC if it is fully rolled out in your area and you need to make a new claim for benefit.

If you are a lone parent student you are eligible for UC if you are responsible for a child under 16, or a young person aged 16-19 in full-time non-advanced education. You no longer count as responsible for a child once they reach 1 September after their 19th birthday.

UC can help with living costs, rent and the costs of children. If you get UC you may be eligible for a loan for mortgage interest. It can also help with the cost of registered childcare while you are working.
UC claims and payments

UC is administered by the Department for Work and Pensions (DWP). Couples who live together make a joint claim. Claims are normally made online and payments are monthly, in arrears. The first pay day is 7 days after the end of the first ‘assessment period’ (a period of a month which begins on the date of claim). The first pay day will, therefore, be at least 5 weeks after the date of claim.

**Example**

Clare claims UC on 3 May 2018. The initial assessment period runs from 3 May until and including 2 June. Her first payment is received on 9 June and then on 9th of each month.

There are no payments for less than a month. Changes of circumstance take effect from the start of the monthly assessment period. So if a change means that an award stops, there is no payment at the end of that month.

UC claimants on UC ‘full service’ in Scotland can request twice-monthly payments, or for rent payments to be made direct to the landlord.

A recoverable short-term benefit advance can be made to claimants who are waiting for their first payment of UC. Payment of up to 100% of the UC award can be paid as a short-term benefit advance, to be repaid over the subsequent twelve UC payments.

**During the academic year**

Your student loan and grant count as income for UC from the assessment period in which your course/course year starts until the assessment period before the one in which your course ends, or before the one in which your summer vacation starts. Your assessment period is a period of one month linked to your date of claim. When you start a higher education (HE) course at university or college, although you may still be eligible for UC, in practice it normally stops or reduces because your loan is higher than your UC amount. You may need to rely on your student grant and loan together with child benefit during the academic year.

You cannot substitute UC for a student loan. For UC, you are always treated as though you have taken out the maximum loan for which you are eligible, even if you have not applied for one.

Further education (FE) students can, however, stay on UC and may get a top-up of £28 per week discretionary bursary maintenance allowance. You should not be treated as having access to a discretionary bursary if you do not have one because, by its nature, there is no guarantee you would get it if you applied.

**Example**

Katharine is on UC and has a six year old child. She starts a full-time FE course on 21 August 2017 and gets a bursary maintenance allowance. Her course ends on 25 May 2018. Her assessment periods run from the 5th of each month to the 4th of the next month. Her UC is reduced from 5 August 2017, the month in which her course starts, to 4 May 2018, the month before the month in which her course ends. Her UC increases again from the assessment period beginning 5 May 2018, when her student income is ignored.
During the summer vacation

Your student loan and grant count as income for UC until the assessment period before the one in which your course ends, or before the one in which your summer vacation starts. You get more UC over the summer, when student income is not counted, but you may have to look for work if your youngest child is three or over (see Conditionality, below).

Examples

Robert is a lone parent with a 14-year-old son. Robert leaves his job to start a four-year degree course, and gets a student loan and lone parents’ grant. He gets child benefit and a reduced amount of UC. In the summer between years one and two Robert gets maximum UC, which provides him with income over the summer while he looks for work.

Beatrice is a lone parent with a two-year-old daughter. She is on a full-time HE course. In the summer between years of her course she can get maximum UC. She does not have to look for work in the summer because her child is under three.

Conditionality

To get UC paid in full without a sanction, if you are a lone parent student whose youngest child is one, you must attend work-focused interviews at the jobcentre when required. If your youngest child is two you must attend these interviews and also take part in work preparation, if required to do so.

You must undertake all work-related requirements (ie, looking for work and being available for work) if you are a lone parent student claiming UC and your youngest child is aged three or over, in order to get your UC paid without a sanction.

There is an exception to these rules if you are claiming UC as a lone parent student and you get a loan or grant for maintenance, eg, a student loan or an FE bursary maintenance allowance. In this case you do not have any work-related requirements.

Examples

Pamela, a lone parent with a four-year-old child, started a higher education course in September 2017. She gets a student loan, and UC. She does not have to look for work during the academic year, because she gets a loan for maintenance.

Emily is a single mum with a two-year-old child, claiming UC. She starts an FE course. She gets a £28 bursary maintenance allowance. Her UC reduces slightly. She is also eligible for help with travel expenses and course costs. If she gets into financial difficulties, or needs help with childcare costs, she can apply to the college’s discretionary fund or childcare fund. She does not have work-related requirements, because she gets a bursary for maintenance.

Benefits to help with the costs of children

Child benefit

Child benefit is paid to almost everyone with a child/ren (although some high earners may not get child benefit). You can get this if you are studying full time. To get child benefit, broadly, your child must be under 16, or under 20 and in full-time non-advanced education or approved training, which they were accepted on or started before they turned 19. For more information, see CPAG in Scotland’s factsheet Parents claiming for young people in further education or training.
STUDYING PART TIME

If you get universal credit (UC) and are a lone parent studying part-time you can stay on UC, but you must meet your work-related requirements to get your full UC paid without a sanction.

Note that there are flexibilities in UC for people with childcare responsibilities. In particular, if you have a child under 13 you can limit your availability for work to school hours.

You may be able to get a grant for fees if you are a part-time student (or a fee waiver in further education). This is disregarded when your UC is worked out. You can also apply for help from the childcare and discretionary funds.

**Example**

Susan starts studying part time in August 2018. She is a lone parent with two children aged 3 and 5 and gets UC. She can stay on UC while she studies part time, and will get this paid in full as long as she meets any work-related requirements. She can also get a fee grant, and may get help with childcare costs.
OTHER MATTERS

Childcare
There is a childcare grant for lone parents of up to £1,215 if you are a full-time further or higher education student. You apply to your university or college for this grant, and also for additional help from the childcare fund, or help from the discretionary fund. Part-time students can apply to the discretionary fund for help with childcare.

You may be able to get additional funding from an educational trust. Use the Grants Search at [https://grants-search.turn2us.org.uk](https://grants-search.turn2us.org.uk) or see the Register of Education Endowments at [www.saas.gov.uk/forms_and_guides/full_time.htm](http://www.saas.gov.uk/forms_and_guides/full_time.htm). Or look in your local library for the Guide to Educational Grants or The Grants Register (Palgrave Macmillan) for details of trusts.

If you are claiming UC you can get help with up to 85% of your childcare costs, but only to cover your hours of work. If you receive childcare funding from your college or university for the same childcare costs that you are receiving help with from UC, your UC childcare help is likely to be reduced to 85% of the total that you are left to pay.

Childcare funds from the college or university for hours of childcare while you study should not affect UC.

Council tax
You are usually exempt from council tax if you are a full-time student. If you do have a council tax bill to pay, you are eligible for council tax reduction if you are a lone parent student with a child that you get child benefit for. This may apply if you have grown-up children at home who are working, as although you are exempt you are nonetheless liable to pay some council tax based on the other adults living there. You apply to your local authority for council tax reduction.

If you are a part-time student, you are not exempt from council tax. Your bill is reduced by 25% if you are the only adult in the household. If your income is low, you can apply to your local authority for council tax reduction to help pay your council tax.
FURTHER INFORMATION

CHILD POVERTY ACTION GROUP IN SCOTLAND

0141 552 0552 advice line for advisers on benefits and tax credits
Monday to Thursday 10am to 4pm; Friday 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.

Email: 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 factsheets go to www.cpag.org.uk/scotland/students-and-benefits-project
- CPAG’s Benefits for Students in Scotland Handbook go to www.onlinepublications.cpag.org.uk/
- CPAG’s Welfare Benefits and Tax Credits Handbook go to www.cpag.org.uk

For more information about the student funding available in Scotland (loans, grants etc) see Skills Development Scotland’s website at www.myworldofwork.co.uk/learn-and-train/funding. You can also get more information at www.saas.gov.uk or from student services or advice staff in colleges and universities.