

Introduction to  UC *Universal
Credit*

for Community Sponsorship Groups

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Capital Mass aims to engage and support every parish in the Church of England's Diocese of London in tackling poverty and inequality.

Capital Mass is a joint venture between the **Diocese of London** and the **Church Urban Fund**, part of the Together Network

We work in specific areas: debt, money & benefits; refugees & asylum seekers; modern slavery, homelessness, mental health & isolation

To get our monthly newsletter go to: www.capitalmass.org.uk

What we will cover:

- **What** is Universal Credit?
- **Who** can apply for it and who can't?
- What are the **major changes** to the way benefits currently work?
- What **help** is there for arriving refugees?
- How has **Covid-19** changed Universal credit & the application process?
- What can **you do as a sponsoring group** to support your arrivals?
- What should you **NOT** do?
- Sources of **more help** and information

Caveats:

1. Universal Credit is **very complex** when you get down to specific situations, so can only be is a **quick overview**
2. Universal Credit is **rapidly changing** – particularly at the moment with Covid-19 uncertainty
3. I am **not a welfare/ benefits advisor**
4. Neither (probably) are you! And **that is OK!**

Some of this has been adapted & abridged
from the “**UC Savvy**” training session
By the **Just Finance Foundation**
with grateful thanks

**JUST
FINANCE
FOUNDATION**

For more information on this:
<https://www.justfinancefoundation.org.uk/uc-savvy>

Part 1: Basics of Universal Credit for arriving refugees & their supporters

How much do you know about UC already?

1 = I may have heard of it - but really no idea what it is

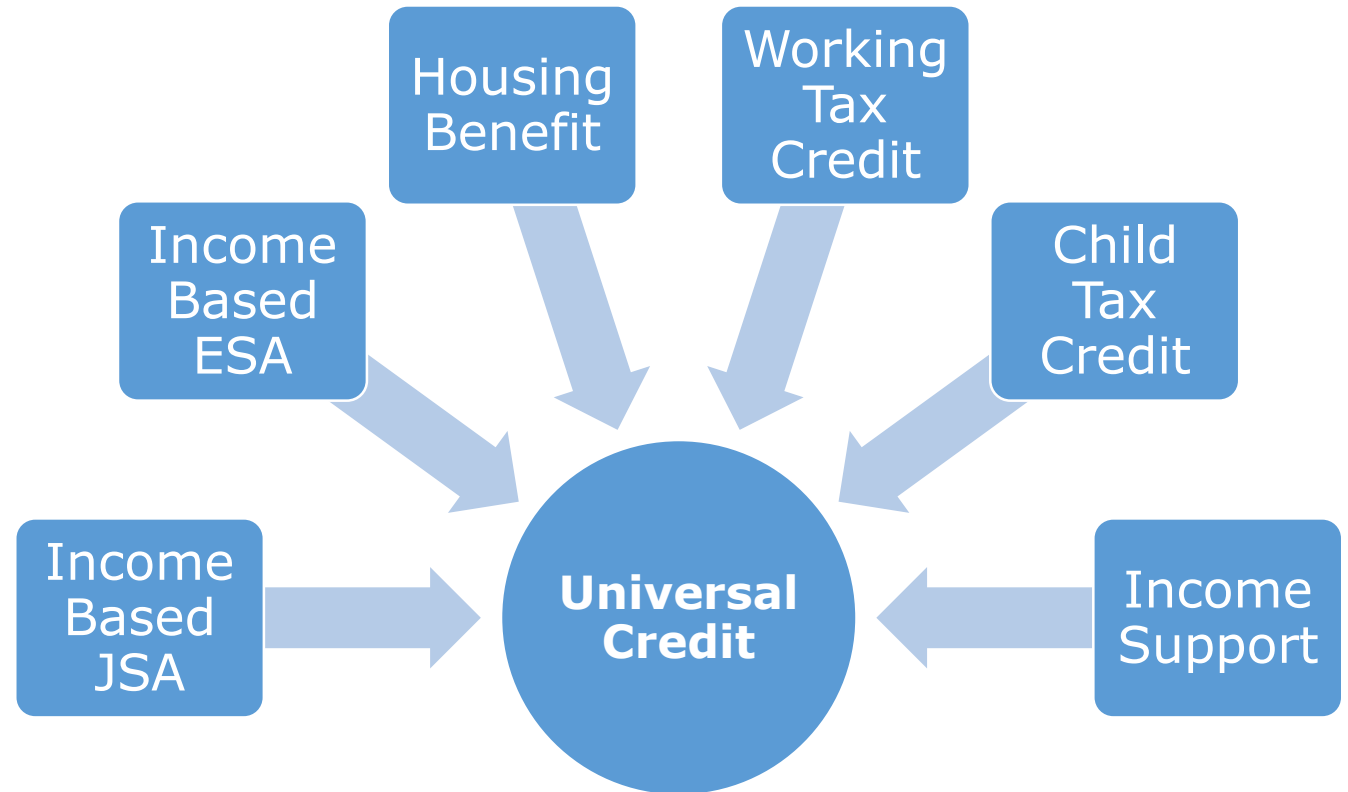
2 = I know a bit about it

3 = I've got quite lot of knowledge of it- maybe have experienced it myself or with someone I know

What is Universal Credit (UC)?

A new “means-tested” system to deliver benefits from the state to **those of working age (18+)** who are either out of work or on low income.

6 current benefits (now known as “**legacy benefits**”) will be phased out, and they will all be rolled into one payment called **Universal Credit**, and paid once a month in arrears.



Who can apply for Universal Credit

Those of **working age** i.e. 18- 65* (OR in a partnership with someone who is) who have a **right to work** in the UK, and have **less than £16, 000 in savings** are eligible to apply for UC

- **This includes:**
- **Those** who are **not working** for whatever reason
- Those who are **in work** but on low pay
- Those with **any number of children**
(it used to be for those only with 2 or less, but that has now changed)

** there are some exemptions for a few specific groups*

What is Universal Credit NOT?

- **Not** for anyone of **pension age** (unless in a “mixed age couple”)
- **Not** including any disability benefits such as PIP or DLA
- **Not** including child benefit- should be claimed separately
- **Not** given in addition to the legacy benefits- it is instead
- **Not** including any council tax reduction- that now needs to be claimed separately from local council

What are the big changes to previous benefits?

5 major changes to the current system:

(1) Online applications only



(2) Paid in arrears monthly



(3) Must be paid into bank or credit union account (not overdrawn)



(4) Rent paid to tenants, not landlords



(5) One monthly joint payment to couples



Change (1): Online Applications only



- It is “digital by default” so you **can only** apply online (although exceptions CAN be made – including for recently arrived refugees and those currently homeless)
- As well as applying, have to manage your account online too which means logging in regularly
- The site is in **English only** – there are no translation options

What that might mean for arriving refugees:



1. If they are not able to read & write English, **they will need help** to translate and complete the process
2. This may mean **initially a couple of hours**, then **regular check-ins** over the next few weeks
3. They will need an **email address** they can access easily
4. Although you can complete it on a smartphone, its much harder, so **a laptop may be useful** (& they may need computer skills training)

Change (2): Paid in Arrears Monthly



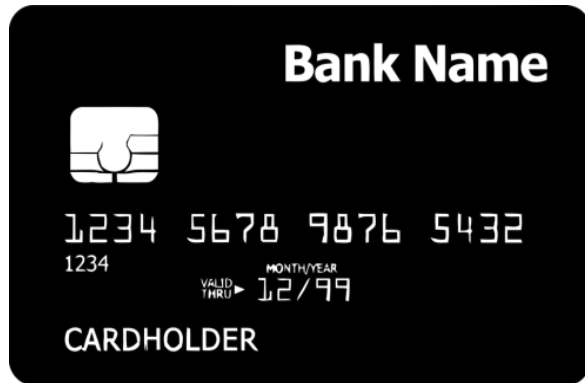
- Universal Credit is designed to be one **monthly** payment. Claimants are expected to manage making this money last the whole month
- When you first apply there is a **5 week wait** for your first payment, in arrears
- This wait begins when you first submit the application, but there **may be a further delay** if e.g ID verification is complicated, or other queries

What that might mean for arriving refugees:



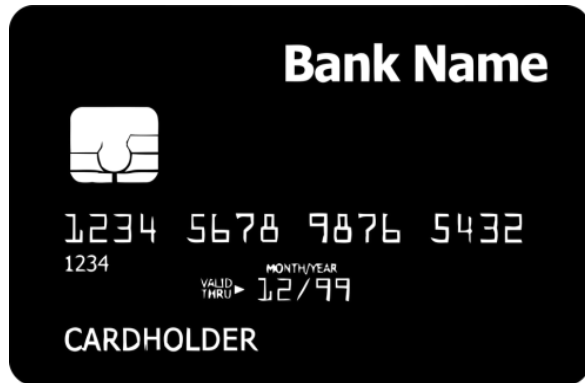
1. When they arrive, application needs to be made **AS soon as possible** to minimise wait time
2. There will need to be some source of income/provision for them while they wait, **including housing costs**
3. They (and you) need to keep a **close eye on texts/emails** from DWP and complete all the processes they ask quickly
4. They may need some support/training in **managing a monthly budget in the UK**

Change (3): Must be paid into a bank or credit union account (non overdrawn)



- You have to have a **bank or credit union account** to pay the money into
- This **can't be overdrawn**, otherwise the bank may swallow all the money coming in (which may be rent and/or other priority bills)
- You might need a **new account**

What that might mean for arriving refugees:



1. They will need to open a new account as soon as possible
2. This can be tricky with some major banks: you can **find out before they arrive** what ID your local banks require & whether any provision for opening accounts for recently arrived migrants/refugees
3. You don't need a bank account to **start the UC application** process- you CAN put bank details in later

Change (4): Rent paid to the tenant not the landlord



- Any housing support money is **paid directly to** the person receiving Universal Credit i.e. **the tenant**, not the landlord (unlike the current Housing Benefit system).
- If you do not prioritise paying your rent with this money, you may be evicted and **may not be entitled to homeless support**.
- **You can apply for this to be changed-** an “**Alternative Payment Arrangement**” but it needs to be agreed by both parties and may not happen immediately

What that might mean for arriving refugees:



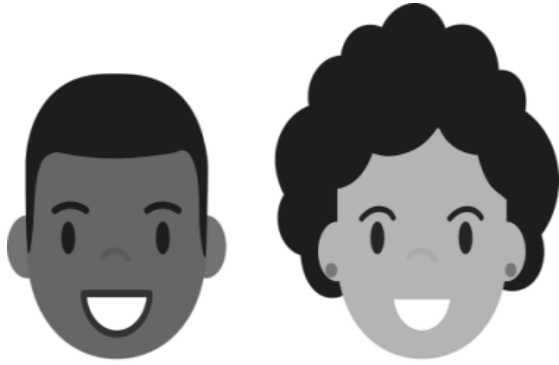
1. It needs to be explained to them that the money they receive will include their housing costs
2. You may need to help organise for a direct debit from bank for the rent to go to the landlord
3. If the arrivals or landlord would rather rent was paid directly to landlord, you may want to talk to the landlord about applying for an **“Alternative Payment Arrangement”**
4. Check the tenancy agreement about whether rent should be paid in advance or arrears.

Change (5): One monthly payment to couples



- If you live with your partner, and are both eligible for Universal Credit, there will just be **one joint payment** to one person
- This can be into a joint account or a single account in either party's name
- If one of the household is sanctioned, it comes out of the **joint amount**

What that might mean for arriving refugees:



1. If your arrivals are in a household of more than one adult, **they will BOTH** need to apply for a Universal Credit account
2. **They then need to “join” accounts** to show they are sharing a home and living costs
3. They will need to share money and **so you may need to have a conversation** about how they want that to happen

How much UC will they receive?

Their UC “award” (how much they receive each month) will depend on things including:

- how many people in the household, including dependent children
- Local Housing Allowance rate
- household income
- any deductions they may have taken off

This is assessed **each month** and an email is sent the week before payment date to tell them what “award” they will receive.

How much UC will they receive?

To work out how much your arrival might receive
you can use benefit calculators from **Turn2Us** or **Entitled To**:

www.benefits-calculator.turn2us.org.uk

www.entitledto.co.uk/benefits-calculator

Starting work and Universal Credit

- When you start work, the amount of Universal Credit you get will reduce as you earn more.
- The Universal Credit “**taper rate**” sets the amount of benefits you will lose for each pound you earn.
- The earnings taper rate is currently **63%**. **i.e.** 63p of the first £1 you earn is taken off your UC entitlement.

Children and Universal Credit

If you have dependent children you'll be awarded a "child element" in your UC payment. This will depend on **how many children you have** and the **date they were born**.

- ALL children born **prior to April 6 2017** will be covered for this child element, however...
- ...You **cannot get a child element** for a third or subsequent child in your family **born on or after 6 April 2017**, unless an exception applies (eg multiple birth or adoption) - this is the "two child limit"

Questions?

Please add them to the chat box
and we'll have a chance to answer
them after the next section!

Part 2: Help that is available for those applying for UC

What help is provided?

(1) Advance Payments

All applicants can apply for an **“Advance Payment”** when they apply for UC.

- This can be up to **100%** of their first month’s money.
- This is a **no-interest loan**- it must be paid back!
- It is paid back over 6, 9 or 12 months depending on you agree with your work coach.
- Loan repayments are taken directly out of their UC money before it arrives. The maximum they can take out is 30% of your monthly money.



What help is provided?

(2) APAs

In certain circumstances, claimants can apply for an **Alternative Payment Arrangement (APA)**.

This **needs to be requested** from your work coach.

This can mean one or more of the below:

1. Direct payment of **rent to a landlord**
2. Being **paid fortnightly** not monthly
3. **Payments being split** between partners



What help is provided?

(2) APAs



....however it is not guaranteed!

ONLY People who are identified as **“needing additional support”** will be granted an Alternative Payment Arrangement.

- There is a **“tier 1”** list (likely to be granted) and **“tier 2”** list (possible to be granted).
- **“Refugees”** come under **“tier 2”**.

*However: “ You can ask for APAs at any point during the Universal Credit claim if you can show that the standard arrangement **carries a risk of financial harm to you and/or your family.**” (DWP)*

What help is provided?

(3) “Help to Claim”

Help to Claim is a support service offered by **Citizens Advice** to people making a new UC claim



- **Help to Claim** offers practical support to help you make your claim, up to the point of receiving your first payment on time.
- It is available **online, over the phone** and they have been operating throughout the Covid-19 lockdown.
- For more information please see: <https://www.citizensadvice.org.uk/helptoclaim>

Other help specifically for refugee arrivals

- **Govt guidance:** www.gov.uk/government/publications/claiming-universal-credit-and-other-benefits-if-you-are-a-refugee/refugee-guide-urgent-things-you-need-to-do
- **Migrant Help:** <https://www.migranthelpuk.org/>
- You may have **local migrant & asylum seeker advice centres, or law centres**
- Check what your **local council** offers (e.g. translators for meetings)

Questions?



Part 3: How has Covid-19 changed things?

Change (1)- the amounts paid

The Chancellor announced at the start of lockdown some significant changes to the amounts paid out by Universal Credit in various ways. From the **1st April***:

- 1) The “**basic allowance**” has been increased by **£20** a week for everyone
- 2) “**Local Housing Allowance**” rates are increased to the **30th percentile of market rents** – so more properties are included / more housing costs are covered
- 3) The “**minimum income floor**” to apply for Universal Credit has been removed (*this mostly relates to those who are self employed so unlikely to affect new arrivals*)

** CAVEAT: We have no idea how long these changes will be in place for!*

Change (2)- the application process

There have been HUGE changes announced to the way people apply for UC.
(It has been streamlined to cope with the massive increase in applications since April*.)

HOWEVER: these may not all be relevant for your arrivals. Guidance is that those “vulnerable” or those unable to get online should still attend the job centre: so check with your local DWP job centre.

- Applications only made online, and you **don't now** need to follow up phone call. They will contact you if they need more information.
- Use **online “journal”** to communication with DWP rather than phoning
- **There is no need to attend job centre “claimant commitment”** interview at present

Change (3)- the way IDs are verified

Checking ID was/is often a problem in the Universal Credit application process, for many people and again **has been changed to streamline the process during Covid 19.**

IDs **used to be** verified online if you have UK passport or UK driving licence **OR** you had to present your ID at the job centre.

- In **most cases this not be possible** so there have been relaxation on what ID is acceptable, & DWP are trying to verify ID remotely in any way they can, eg doctors records, tax returns etc.
- **The guidance is that given arrivals will have very little paperwork and no “digital trail” in the UK, they may still have to present themselves at the Job Centre to show ID.**
- They may wish to be accompanied with this, and that is allowed, while taking care and precautions (e.g. masks, 2m distances, avoiding public transport where possible etc.).

Part 4: Applying for Universal Credit with your arrivals

Before you begin...

Please consider:

- It is very important in all the help you give to ensure your arrivals have **AS MUCH decision making** as they are able about what happens with their money.
- They **must always be the ones to decide** how they want to organise the money
- You will need to decide as a group **how much “informed consent”** they can give, depending on level of English, vulnerability etc

Decisions they/you may have to make:

- Do they want rent paid to landlord or to them?
- Do they want a joint or separate bank accounts?
- Do they want to take out an advance payment (loan)?
- Do they want to share personal / financial details (e.g. bank account logins, passwords) with people in the support group?
- Do they want someone acting as an “advocate” on their behalf?
- Do they want someone to come with them to meetings at the DWP?

What do you need to apply for UC?

<i>Personal Information:</i>	National Insurance Number	Email Address	Phone Number
<i>Housing Information:</i>	Your Address	Your landlord's address	The amount of rent you are paying
<i>Financial Information:</i>	Your Bank Account Details	Details of any savings	Details of other salary or income

Preparing to Apply

- Has your arrival got a **mobile phone number** and **email address** they can easily access?
- Has your arrival got a **bank account**?
- Has your arrival got their **National Insurance Number**?
- Has your arrival got all the **ID documentation** they can find?
- Do you have the **address of the property**, the **landlord** and the **amount of rent to be paid**?
- Do you have a **tenancy agreement**?

How to apply (during current restrictions)

- Start the application **EITHER** at the Job Centre Plus if that is what is instructed, face to face with an advisor
- OR **online** via <https://www.gov.uk/apply-universal-credit>
- This may take **30 mins to 2 hours** and you will need the personal information listed on the previous slide.
- They will likely need **someone to sit and help** if they do not have good written English, whether at home or at a Job Centre

How to apply (during current restrictions)

Useful resource:

Universal Credit in Action You Tube tutorial

<https://www.youtube.com/playlist?list=PLDBaQKqY6OHZ0h5p3KRIBeLHpfGINFx8Y>

Verifying ID

- Once the claim is in place your arrivals will be asked to “verify their ID” – produce documents to prove they are who they say they are, how many children they have etc.
- Given that it is very unlikely they will be able to do this online, **be prepared for them to have to go to the Jobcentre to do this.**
- If they do, you can help them to get **all their documents** together that they have, any paperwork
- You can also **accompany them for this meeting.**

It could delay their claim if this isn't done when it is asked, so it's important to do all you can to help get this stage done.

Completing the Journal

Once the claim has been submitted, the claimant is expected to **regularly update** their **“journal”** on the Universal Credit online system.

- Your **work coach will keep in touch** with you here too, and ask you to upload documents, request evidence, ask questions etc. You get texts or emails to tell you when there are new messages on in your journal.
- This is where you can query anything that may go wrong, **ask questions** etc.
- Before Covid-19, there was an expectation you would also **meet** your work coach regularly too. **This is currently suspended.**
- If you don't meet your commitments your **work coach can “sanction”** you (taking away a portion of your money). **Sanctions are currently suspended during Covid-19.**

Appointing an “advocate”

- In the online journal, the claimant can appoint an “advocate”
- they just need to write in a journal entry that someone else is helping them, the **name of that person** and confirm that they are **happy for that person to speak to DWP on their behalf.**
- You can name more than one advocate

Being an “advocate” & accompanying

- Once you are a **named advocate** for your arrival, you can speak to the DWP on their behalf about their account over the phone, and make journal entries.
- **Anyone**, not just the advocate can go **along to meetings** at the Jobcentre. You can **also** get a translator too if that is needed (your council may provide these)
- If you can, contact the Jobcentre in advance to let them know you will be coming with them.
- The Jobcentre **can't refuse to allow anyone to accompany** someone in a meeting.

What can we do BEFORE our arrivals get here?

Some ideas (you may have others- please share...)

1. Get to know your local job centre! If possible get a name of someone, perhaps prepare them that there are refugees who will be claiming
2. Find out if there is any local support for this (some job centres do have specialist “migrant” job coaches)
3. Talk to the landlord of the house you are going to rent
4. Find out from local banks whether accounts can easily be opened with the ID that refugees may arrive with

What can we do BEFORE our arrivals get here?

5. Source a laptop/mobile device and think about a secure internet connection
6. Think about getting some training if you need it in budgeting skills to help them
7. Find out what support your local council offers e.g. Discretionary Housing Payments, grants, low cost furniture etc
8. Find out how to apply for Council Tax Reduction
9. Find out how to apply for Child Benefit

What can we do ONCE our Arrivals get here?

1. Help your arrivals open a bank account
2. Help your arrivals get an email address & mobile phone
3. Go with them to meetings at the job centre and with other agencies
4. Offer to be a named “advocate” in their Universal Credit journal so you can talk to the job coach
5. Get a folder for them for bills
6. Explain what things need to be paid in the UK (eg TV licence, gas, council tax, water)
7. Offer some IT/ Computer training/ budgeting skills

RESOURCES: Digital Skills

Learn my Way <https://www.learnmyway.com/>

- Offer lots of free simple online modules for self learning
- Eg setting up email, how to get online, using a mouse, filling in online forms and a specific module about Universal Credit

RESOURCES: Budgeting Courses

Some great courses – find out what is offered in your area!

- **The Money Course-** by Crosslight Debt Charity <https://themoneycourse.org/>
- **CAP Money-** www.capmoney.org
- **Cash Smart Credit Savvy-** from Just Finance Foundation www.justfinancefoundation.org.uk/cscs
- + you may find other courses run locally- eg at childrens centres, Age UK, community groups...

RESOURCES: Helping people with money

Turn 2 us & Entitled To www.turn2us.org.uk www.entitledto.com

- Both these sites have tools to check what benefits people are entitled to

Money Saving Expert www.moneysavingexpert.com

- Martin Lewis's website full of good tips on how to live on a budget, save money, lots of tools.
- other money saving websites/blogs are also available- but I've never found anything as comprehensive!

Money Advice Service <https://www.moneyadviceservice.org.uk/en/tools/budget-planner>

- Offer a budget tool online –can be helpful for some as it walks you through doing it in stages.
Again, there are a lot of other budget tools online too!

RESOURCES: Universal Credit Basics

UC Savvy:

- One off workshops for those who will be transitioned onto UC to get them ready:
<https://www.justfinancefoundation.org.uk/resources/uc-savvy>
- Alison may be offering this in the autumn online if enough

Learn My Way :

<https://www.learnmyway.com/courses/universal-credit-a-how-to-guide/>

Citizens Advice Online Guide:

<https://www.citizensadvice.org.uk/benefits/universal-credit/>

RESOURCES: Preparing people to apply for UC

Citizens Advice – “preparing for Claimant Commitment Interview”

<https://www.citizensadvice.org.uk/benefits/universal-credit/claiming/prepare-for-your-interview/>

- Includes a downloadable checklist (one in your pack) to help people prepare for the interview and think through what they may want to bring up

Universal Credit In Action- YouTube channel

<https://www.youtube.com/channel/UC7Km4IXfVJB1n8SQUmkJD0Q>

- You can watch videos of various parts of UC application procedure etc

Questions?

