

Universal Credit: Claims and Payments

Information Guide 2: For Residents and Advisers

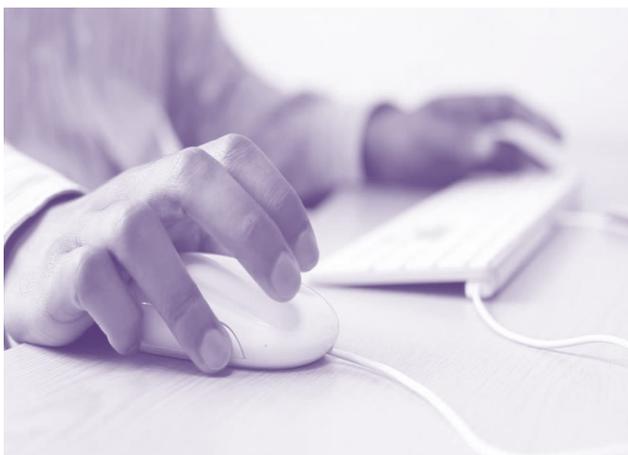
12th July 2019

www.wolverhampton.gov.uk

1. Introduction

Universal Credit is a new benefit administered by the Department for Work and Pensions (DWP). It is designed to provide financial support to people of 'working age' (aged between 16 and the 'qualifying age for Pension Credit' - the age at which Pension Credit may be claimed) who are unemployed or who otherwise have a low income.

Universal Credit has been gradually rolled out in stages across Wolverhampton. First there was **Universal Credit LIVE** and now there is **Universal Credit FULL SERVICE**. Under Universal Credit LIVE only single people who were fit for work could apply for Universal Credit. However, now Universal Credit is available to a much wider group of people.



Anyone who wants to apply for Universal Credit will normally have to do so online. This Information Guide is designed to explain what is involved in making an application. It also sets out to explain the options available to those who would need help to make an application for Universal Credit, for example, because they do not have a computer or are unable to use one. It also sets out information about how people may be paid Universal Credit.

When fully rolled out Universal Credit will replace the following, so called 'legacy benefits':

- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Income Support (IS)
- Housing Benefit (HB)
- Child Tax Credit (CTC)
- Working Tax Credit (WTC)

Universal Credit will not be replacing Council Tax Support (formerly Council Tax Benefit) which can result in a reduction in the amount of council tax people have to pay. Anyone claiming Universal Credit should make sure that they have applied for Council Tax Support by contacting the City of Wolverhampton Council.

Please see our Information Guide 1: Universal Credit for more information about Universal Credit, who can apply for Universal Credit and how Universal Credit entitlement is actually calculated.

If you would like more information about Universal Credit, then you may also go to:

www.universalcreditwolverhampton.co.uk



This website has been created by the City of Wolverhampton Council and local groups and organisations. It provides details of where people may go for help with problems relating to Universal Credit including help to get online and help to apply for Universal Credit.

2. Who can Apply for Universal Credit...

Universal Credit can be claimed by a wide group of people. For example, it can be claimed by those who are:

- in paid employment
- unemployed
- unable to work due to ill-health
- carers

Up until **1st February 2019** families with three or more children were disqualified from

applying for Universal Credit. However, this restriction has now been lifted.

If someone is already getting a 'legacy benefit' then please see below.

3. What if Someone is already getting a Legacy Benefit?

If a person is getting a 'legacy benefit' then they will normally be expected to apply for Universal Credit under a system known as '**natural migration**' when they have a relevant change of circumstances. For example, they:

- become a member of a couple
- separate from their partner
- get a job
- become too sick to work
- stop working
- move home from one local authority area to another

Lone parents getting 'legacy benefits' will also be expected to apply for Universal Credit under '**natural migration**' when their youngest child is 5 years old.

Families with three or more children were initially disqualified from applying for Universal Credit. However, this restriction was lifted from **1st February 2019**. Further, new rules now mean that from **16th January 2019** those who are getting a 'legacy benefit' which includes an award of the 'severe disability premium' will not be allowed to migrate on to Universal Credit under the 'Natural Migration' system. This is because many would find themselves worse off under Universal Credit and in light of this it would be unlawful to expect them to move.

Those people who remain on 'legacy benefits' will between 2019 and 2023 be randomly contacted by the DWP and invited to apply for Universal Credit under a system known as

'managed migration'. Universal Credit will then replace their 'legacy benefits'.

If someone does not respond to a request to apply for Universal Credit, then payment of any 'legacy benefits' will stop and the person will not be entitled to Universal Credit until the actually apply.

4. Universal Credit Online...

A person can apply for Universal Credit online.

www.gov.uk/apply-universal-credit



If a person needs help with applying for Universal Credit then they should ring the Universal Credit Service Centre on:

**FREEPHONE
0800 328 5644**

Department for Work and Pensions

Depending on the nature of the difficulty, the Service Centre may either simply sign post the person to somewhere local where they can get help to apply online or they may complete the online claim with them over the telephone. In

some cases (e.g. where a person is housebound and is not digitally connected) the Service Centre may arrange for a DWP Visiting Officer to call upon them to complete the online claim in their own home.

5. Applying for Universal Credit Online

It is understood that in the case of a single person a claim may take 20 to 30 minutes to complete. In the case of a couple the process could take much longer. In any situation, it is advisable to allow plenty of time.



Before going online, a person should know that when applying for Universal Credit, then depending on their situation, they will be asked to provide the following information:

- their postcode
- their (and their partner's) bank, building society or credit union account details - account number and sort code
- whether they live in rented accommodation or live in accommodation that they own (with or without a mortgage)
- the day, month and year they moved into the accommodation they are living in
- the amount of their (and/or their partner's) overall rent including the frequency of payments e.g. weekly / monthly
- their (and/or their partner's) landlord (or landlord's agent) details including a contact phone number for them
- whether they are responsible for paying council tax and whether they have or will be applying for Council Tax Reduction

- details of their (and their partner's) savings, investments or other capital
- details of any income they (or their partner) get including their wages if they (or their partner) are working
- details of any other benefits they (or their partner) are getting
- details of any education or training courses they (or their partner) attend
- the names and dates of birth of their (and their partner's) children, including, if they get Child Benefit for them, the relevant Child Benefit number
- confirmation of any Disability Living Allowance or Personal Independence Payment that may be in payment for the children included in the claim
- details of other people who live with them (and their partner) e.g. grown up children or relatives
- details of any other income they (or their partner) may have other than earnings or benefits e.g. sick pay from an employer, maternity pay from an employer, maintenance, student finance, work pension
- whether they (or their partner) are pregnant and, if so, how near are they
- to the expected date of childbirth
- details of ill-health or disability that may impact on their ability to work or look for work
- details of any medical treatment they are receiving or recovering from or expected to receive in the future
- details of any current or recent stays in hospital

Unable to work due to ill-health / disability:

If a person is not well enough to work then they should seek to obtain a Fit Note (Med3 sick note) from their doctor. When applying for Universal Credit online they should enter the details of the Fit Note (including start and end dates).

Statement of Fitness for Work
For social security or Statutory Sick Pay

Patient's name: Mr, Mrs, Miss, Ms

I assessed your case on: / /

and, because of the following condition(s):

I advise you that:

you are not fit for work.

you may be fit for work taking account of the following advice:

If available, and with your employer's agreement, you may benefit from:

a phased return to work amended duties

altered hours workplace adaptations

Carers: If a person is caring for someone who is disabled then they need to confirm this including whether or not the person they are caring for is getting (or has applied for) Disability Living Allowance (middle or higher rate care component), Personal Independence Payment or Attendance Allowance.

They will also be asked to confirm whether or not they spend 35 hours or more providing this care.



Nationality: A person will be asked for details of their nationality and whether or not they have lived in the UK during the last two years. This is because to be entitled to any amount of Universal Credit a person must have a 'right to reside' in the UK and they must normally have been living in the UK for an 'appreciable period' of time (3 months or longer) at the date of application. Do seek further information and advice as necessary.

A person will **NOT** need their National Insurance Number (NI Number) when applying for Universal Credit under Full Service.

6. The Five Stages to Applying Online

When making the online application, it is important to be aware that there are FIVE different stages involved. These are:

Stage 1: Enter Postcode

The first part of making an online application involves the person entering their postcode details.

Stage 2: Creating an Account

Before a person can apply for Universal Credit they will need to set up a Universal Credit account. This is done by creating a unique 'username' and 'password'. They will then be asked to set up TWO 'security questions' (e.g. 'Where were you born?' or 'What was your first job?') which they will need to use when accessing the Universal Credit account at any time in the future.

From this point the person will be asked to provide their name, date of birth, email address and a mobile telephone number.

They will then need to select how they 'want to be contacted' in the future - by 'email' or 'text'.

An email six-digit code will then be sent to the email address (validating the email address) provided above. They will have to use this to proceed with their online Universal Credit claim. The six-digit code only remains valid for one hour.

If they do not use the code to action the next stage of their claim, then they will have to create a new 'account' and start from the beginning should they wish to apply in future.



Stage 3: Making the Online Claim

Once a person has set up their 'account' they will have 28 days to make (using their 'username' and 'password' and security question) their claim for Universal Credit.

If they fail to do this then they will need to create a new 'account' and start again.

Stage 4: Verifying Identity

This stage involves a person verifying their identity. There is a link to **Gov.UK Verify** to do this. If a person is unable to do this (e.g. because they do not have a passport or photo driving licence) then they will need to arrange an 'evidence interview' with a Work Coach at their local Job Centre. See below.



Stage 5: Declaration

The final part of the online claim involves the person validating that the information given is complete and correct. The person must also agree to an undertaking that should there be a change in their circumstance they will report this promptly online in their journal or by telephone to the DWP.

7. Work Coach Meeting

Once a person has completed their online Universal Credit application they will be expected to contact the Universal Credit Service Centre (Telephone: 0800 328 5644) to arrange to meet with a Job Centre Work Coach. They must arrange the meeting **within 7 days** of completing their online application.

Under Universal Credit everyone will be assigned a Work Coach whose role it will be to support them and, if they are able to work, to help them to find paid employment. In couple cases both members of a couple will have a Work Coach and will need to be interviewed.

The purpose of the first meeting with a Work Coach will be to enable the claimant (and their partner) to validate their claim details (i.e. their rent and address) and validate their identity (i.e. they are who they say they are), if they did not do this using Gov.UK Verify at the time of making the online claim. See 8. Validating Identity.

It is also expected that at this meeting (or in a future meeting) the Work Coach will draw up an individually tailored 'claimant commitment' that the person (and their partner) must agree to.

The 'claimant commitment' will outline what, if any, steps will be expected of the claimant (and their partner) in terms of finding work and/or improving their prospects of finding work. See Information Guide 3: The Claimant Commitment for more information on what may be expected of people in terms of the work search and work availability requirements.

A person should be prepared to take the following information along with them when they meet the Work Coach:

- their passport, photo driving licence or EEA national identity card. If the person does not have any photo ID, then the Job Centre will ask them security questions about themselves and/or write to someone who knows them to verify their identity which could delay their claim. See 8. Validating Identity below.
- proof of address - a bank statement / letters to them from an official source e.g. the DWP, water company or an energy company
- their NI number (If a person does not have this then they can ring the HMRC Helpline on 0300 200 3500)
- their bank, building society or credit union account details - account number and sort code
- details of how much rent they pay - this can be in the form of an up-to-date rent agreement, rent book or letter from their landlord or landlord letting agent
- details of their landlord / landlord agent - address and telephone number
- bank, building society or credit union statements to show the level of any savings
- any documentation to verify shares, investments or property
- wage slips to highlight earnings from employment and P45 if recently left work
- details / proof of any benefits received
- details / proof of any other income e.g. works pension
- details of any childcare payments made to enable the claimant (or their partner) to go to work

Children: If a person has children for whom they receive Child Benefit then they should take details of these payments together with the Child Benefit reference number(s). If a person does not get Child Benefit for a child for whom they are responsible then they will

need to prove the child's identity and date of birth. This can be done with the child's birth certificate. Although there is a cost, if a birth certificate has been lost or destroyed then a fresh one may be obtained online. Go to:

www.gov.uk/order-copy-birth-death-marriage-certificate

Companion: It is possible for a person to have a companion present when they meet with the Work Coach. A companion could play an important role where a person is not confident or they have a mental, cognitive or intellectual impairment. It is most important for the purposes of the 'Claimant Commitment' that the Work Coach has an accurate account of a person's circumstances, physical and mental health. Without this, unrealistic work search and work availability requirements could be set which, if not met, could lead to sanctions and reduced Universal Credit payments in the future.



8. Validating Identity

If a person did not use Gov.UK Verify to validate their identity when they made their online claim for Universal Credit then they will need to do this when they meet with their Work Coach. See 5. Work Coach Meeting.

There are two ways this is done:

- 1. Biographic:** This involves the person being asked up to FIVE questions about themselves. These will be questions based upon information the DWP knows about them. A person will need to answer at least THREE of the five questions correctly.
- 2. Third Party Verification:** If a person fails the biographic then they will be expected to

nominate a person who knows them well e.g. Probation Officer / Social Worker or some other responsible person. The DWP will then write to this person for them to confirm the person's identity. All this could take time and delay the claim.

It is important that a person validates their identity and other particulars of their claim as quickly as possible. This is because until they do they will not be treated as though they have made a claim for Universal Credit. In which case, if they have no money, an Advanced Payment will not be available to them.

9. Payment and Advance Payments

Once a person has applied for Universal Credit, they will receive details of how much Universal Credit will be paid to them and the date on which their first payment will be made.

Any Universal Credit entitlement will normally be paid by way of a single monthly payment, paid in arrears. Because of the way the system works the applicant will most likely have to wait five weeks (six weeks prior to February 2018) before they receive their first payment.

Payment will normally be paid into the applicant's bank, building society or credit union account (or similar account).

A person can apply for an '**Advanced Payment**' payment of Universal Credit if they are in 'financial need' whilst waiting for their first payment of Universal Credit. A person can apply for an Advanced Payment through their local Job Centre Work Coach or by contacting the Universal Credit Service Centre on 0800 328 5644. Strictly, an Advanced Payment should only be awarded when a person is in 'financial need' and an award would be the only means of preventing a 'serious risk' of damage to the claimant's health or safety (or the health or safety of a member of their family).

However, it is understood that the DWP are offering these payments to people who have little or no money to manage financially up until they are due to get their first payment of Universal Credit.

How much will be awarded by way of an Advanced Payment depend on a number of factors. Since January 2018 a person may be awarded up to 100% of the amount of their underlying entitlement including any 'housing cost' element meant for their rent. However, the actual amount awarded could be less if a person asks for less or it is considered that they can only afford to repay a lesser amount.



Important: A person may ask for an 'Advanced Payment' at any time up to **three working days** before the end of their monthly assessment period. It is therefore crucial that a person applies for an Advanced Payment in good time. If they do not, then because of the way Universal Credit is administered the person could be without any money for up to 10 days or 12 days where a weekend falls between the 3-working day period.

Any award of an Advanced Payment will be recovered by deductions from subsequent payments of Universal Credit. The normal repayment period will be 12 months.

There is no right of appeal against a decision to refuse an Advanced Payment. However, a person can ask for a decision to be reviewed. This would be important where the original decision was made in ignorance of the full facts or was based upon a mistake of the full facts.

Credit Union - Crisis Loan: If a person is living in Wolverhampton and they:

- are a householder; and

- have applied for Universal Credit; and
- are waiting for their first payment; and
- are in 'financial need' because they have little or no money

then they may apply for a **Crisis Loan** of **£200** from the City of Wolverhampton Credit Union (Telephone: 01902 555939).



A person can apply for both an 'Advanced Payment' from the DWP and a 'Crisis Loan' from the Credit Union. Whilst in principle a person could access both a 'Crisis Loan' and an 'Advanced Payment' (from the DWP), the DWP may refuse an 'Advanced Payment' if it is considered that any award of a 'Crisis Loan' removes their 'financial need'. Also, please be aware that the Credit Union will not award a 'Crisis Loan' if in light of the person's overall financial circumstance it would not be responsible to burden them with a further debt. The key difference between a 'Crisis Loan' and an 'Advanced Payment' is that with a 'Crisis Loan' there is a small amount interest charged. An 'Advanced Payment' is in effect an interest free loan.

10. Alternative Payment Arrangements

Universal Credit is paid monthly in arrears. If a person's award includes a 'housing cost' element for their rent then this amount will be included in any payments. One of the aims of Universal Credit is to make people more responsible for paying their bills, including their rent. Under 'Alternative Payment Arrangements' (APAs) those who need support in managing their money can ask for:

▪ **Managed Payments:** If a person lives in rented accommodation any 'housing element' amount of Universal Credit will be paid direct to the landlord. Managed Payments can be requested by either the tenant or their landlord.

A tenant may ask for Managed Payments through their Work Coach or through the Universal Credit Service Centre (Telephone: 0800 328 5644). A landlord can ask for these payments by using the UC47 Form which is available on the internet or through the Universal Credit Service Centre (Telephone: 0800 328 5644).

Managed Payments can be applied for when a tenant either has a history of continually underpaying his/her rent and they are in rent arrears equal to (or more than) one month's rent; or they are in rent arrears equal to (or more than) two month's rent. A Managed Payment can also be requested if the tenant would struggle to pay their rent due to e.g. alcohol or drug dependency or because they cannot manage their finances due to e.g. a learning disability or mental health condition. A Managed Payment may also be requested if the person's tenancy would otherwise be at risk due to their poor money management.



A Managed Payment can also be requested to pay back/ recover rent arrears.

If it is the tenant making the request then they will have to show proof of their rent arrears and provide details of the period over which the arrears arose. The proof can be in the form of a rent book, rent statement or letter from their landlord. If the request is being made by a landlord then they need only supply details of the information requested on the UC47 Form. No additional evidence or information should be needed. The UC47 Form requires the National Insurance number of the tenant or their date of birth.

▪ **More Frequent Payments:** Where it is understood that a person finds it 'difficult to budget monthly' they can apply for their Universal Credit payments to be paid to them twice a month or four times within a month.

▪ **Split Payments:** Universal Credit payments can be split between both members of a couple. In cases involving a family with children a larger percentage of the overall payment will go to the primary carer. Split Payments may be considered where there is 'financial mismanagement' or 'financial abuse' or domestic violence issues or the person to whom Universal Credit is paid cannot (or will not) budget for their own or their family's basic needs.

An 'Alternative Payment Arrangement' may be considered at any point during the life of a Universal Credit claim and will normally be 'claimant centric' - that is to say that the arrangement will be discussed and considered with the claimant and applications will be considered on an individual case-by-case basis.



A number of factors will be taken into account in any Alternative Payment Arrangement decision including whether the person has a problem with drug/alcohol dependency or a gambling addiction.

Issues involving mental health, a learning disability, age (i.e. 16/17 year-old), multiple debt problems (including rent arrears and risk of eviction), language skills will also be a key factor.



A decision to agree to an Alternative Payment Arrangement will be reviewed periodically. A review period will be set dependent upon the individual circumstance of the case. There is no right of appeal against a decision to refuse an Alternative Payment Arrangement.

Whilst there is no right of appeal, you should know that a person may ask for a decision to be reviewed - looked at again/reconsidered. This would be important where the original decision was made in ignorance of the full facts or was based upon a mistake of the full facts.

See the DWP's Personal Budgeting Support and Alternative Payment Arrangements guidance for more details which is available online.

11. Information Guides and Fact Sheets

The City of Wolverhampton Council's Welfare Rights Service produces the following Benefits Information Guides and Fact Sheets on benefits and welfare reform.

Benefits Information Guides:

1. Universal Credit
2. Universal Credit - Claims and Payments
3. Universal Credit - The Claimant Commitment
4. Universal Credit - Sanctions and Hardship Payments
5. Universal Credit and Vulnerable People - Claims and Payments

6. Universal Credit - Unable to Work Due to Ill-health or Disability
7. Personal Independence Payment
8. Personal Independence Payment - Toolkit
9. Employment and Support Allowance
10. The Work Capability Assessment - Toolkit
11. Form Filling - PIP2 and ESA50/UC50
12. DWP Social Fund
13. Disputes and Appeals
14. Going to Appeal: First-tier Tribunals

Benefits Fact Sheets:

1. Benefits and Work
2. Benefits and Young People
3. Benefits and Older People
4. Benefits for those who are Unable to Work Due to Ill-health or Disability
5. Benefits for those Affected by Cancer
6. Benefits and Carers
7. Benefits and People from Abroad
8. The Bedroom Tax
9. The Benefit Cap
10. Local Welfare Assistance
11. Private Tenants and Universal Credit
12. Volunteering and Benefits

Copies of our Benefits Information Guides and Benefits Fact Sheets may be obtained by visiting our pages on the City of Wolverhampton Council website at:

[Benefits and Welfare Reform Information](#)

Please also watch out for our Benefits Bulletins which provide news on the latest developments surrounding benefits and welfare reform. These are also available on the website.

 Telephone: (01902) 555351

 Email: WRS@wolverhampton.gov.uk

Note: The details provided in this and our other Information Guides is meant to provide an overview on important and topical issues relating to Social Security benefits and welfare reform. The details should not be treated as an authoritative statement of the law. The details may be subject to change by new regulation and/or case law. Do seek further information and advice as necessary.

**Welfare Rights Service
Specialist Support Team
City of Wolverhampton Council**