

Universal Credit: Claims and Payments

Information Guide 2: For Residents and Advisers

July 2018

www.wolverhampton.gov.uk

1. Introduction

Universal Credit is a new benefit for people of 'working age' which is designed to provide financial support to people on a low income. Universal Credit is set to replace a number of existing benefits and tax credits. When fully rolled out it will be available to single people, couples and families irrespective of whether they are unemployed, working or unable to work due to ill-health. It will also be available to those who are unable to work, or unable to work full-time, due to a caring responsibility

Wolverhampton has been a **Universal Credit LIVE** area since **8th February 2016**. This has meant that access to Universal Credit has relied on the applicant being single and fit for work. However, since **13th December 2017** some parts of Wolverhampton have become a **Universal Credit FULL SERVICE** area. This means that couples and families (with less than three children) living in those areas are now able to apply for Universal Credit. It means that now people who work or who are unable to work due to ill-health or disability who live in those areas are also able to apply.

This Information Guide explains what is involved in applying for Universal Credit for people who are living in a FULL SERVICE area.

Please see our Information Guide 1: Universal Credit for more information about Universal Credit. This Information Guide explains the position of those who are living in Wolverhampton but not in an area which is a FULL SERVICE area. It also explains the position of people who are already getting Universal Credit but under the Universal Credit LIVE and the position of those who are presently getting one of the benefits or tax credits Universal Credit will be replacing.

If you would like more information about Universal Credit, then you may also wish to 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 applying for Universal Credit.

2. Universal Credit Online...

If a person is living in Wolverhampton and in a part of the city which comes under Universal Credit FULL SERVICE then they must apply for Universal Credit online.

www.gov.uk/apply-universal-credit



If a person needs help with applying for Universal Credit then they can 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.

3. Applying for Universal Credit

An application for Universal Credit under FULL SERVICE must be made 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:

I assessed your case on:

and, because of the following condition(s):

I advise you that:

3 you are not fit for work.

4 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

5

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.

4. 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.

The system then checks to see if they are living in a Universal Credit LIVE area or a Universal Credit FULL SERVICE area. If they are living in a LIVE area, then the system will lead them to applying for Universal Credit online under a different (albeit similar) system to that explained herein.

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 'user name' 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 and:

- 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 message.

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 'user name' 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.

5. 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 6. 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 6. 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.



6. 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, a Short-term Advance payment will not be available to them.

7. Payment - Short-term 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 six weeks (five weeks from 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 a '**Short-term Advance**' payment of Universal Credit if they are in 'financial need' whilst waiting for their first payment of Universal Credit. A person can apply for a Short-term Advance payment through their local Job Centre Work Coach or by contacting the Universal Credit Service Centre on 0800 328 5644. Strictly, a Short-term Advance 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 a Short-term 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 mean 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 a 'Short-term Advance' 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 a Short-term Advance 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 a Short-term Advance 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 a Short-term Advance. 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 a 'Short-term Advance' from the DWP and a 'Crisis Loan' from the Credit Union. Whilst in principle a person could access both a 'Crisis Loan' and a 'Short-term Advance' (from the DWP), the DWP may refuse a 'Short-term Advance' 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 a 'Short-term Advance' payment is that with a 'Crisis Loan' there is a small amount interest charged. A 'Short-term Advance' payment is in effect an interest free loan.

8. 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' those who need support in managing their money can ask for:

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

A tenant who is getting Universal Credit 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 from 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 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.

9. Information Guides

The City of Wolverhampton Council's Welfare Rights Service produces the following guides on benefits and welfare reform:

1. Universal Credit
2. Universal Credit - Claims and Payment

3. Universal Credit - The Claimant Commitment
4. Universal Credit - Sanctions and Hardship Payments
5. Universal Credit - Work Capability Assessment - Toolkit
6. Employment and Support Allowance
7. ESA - Work Capability Assessment - Toolkit
8. Personal Independence Payment
9. Personal Independence Payment - Toolkit
10. Form Filling - PIP2 and ESA50/UC50
11. Benefits for Young People
12. The Benefit Cap
13. The Spare Room Subsidy
14. DWP Social Fund
15. Local Welfare Assistance
16. Benefits and People from Abroad
17. JSA Sanctions
18. ESA Sanctions
19. Disputes and Appeals
20. Going to Appeal: First-tier Tribunals
21. Useful Contacts and Websites

If you would like a copy of any of the above Information Guides or you are in need of information and/or advice on a benefits or welfare reform matter, then please contact our Specialist Support Team:

☎ Telephone: (01902) 555351

✉ Email: A&C.WRS@wolverhampton.gov.uk

The information contained in this Information Guide is meant to provide insight to applying for Universal Credit and getting payment. It 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.