

# Derbyshire Welfare Rights Service

## Universal Credit - Advance payments and alternative payments to help you budget

Universal Credit is a means-tested benefit which will eventually replace Income Support, Income-Based Jobseeker's Allowance, Income-Related Employment and Support Allowance, Working Tax Credit, Child Tax Credit and Housing Benefit - DWP refers to these as 'legacy benefits'.

The UC 'full service' (see below) has now been introduced throughout Derbyshire.

The full service of UC affects nearly all new means-tested benefit claims for people of working age and will apply to all sorts of claimants, even those who are working.

Where the full service is in place, it is not possible to make a new claim for any of the benefits that UC replaces - except for some severely disabled claimants who cannot claim UC until after November 2020.

Existing legacy benefit claims may not change until between **November 2020 and September 2024** but your claim could change to UC if you have a change of circumstances which means that you need to make a new claim for means-tested benefit.

For full details, please see our website or our leaflet 'Universal Credit – what is happening now and in the future in Derbyshire'. Call our Helpline for further advice.

UC is a single monthly payment from which you are expected to budget for all your bills.

If you pay rent, your UC payment will include an amount towards your rent and you will be expected to pay this money to your landlord.

If you are having problems managing UC payments, keeping up with rent or other bills or you need additional help, you may be able to get some additional help – known as Personal Budgeting Support.

You should be offered help by your Work Coach when you first claim.

To get locally-based help, speak to your Work Coach at the Jobcentre or call the Universal Credit helpline which is open Mon-Fri 8am to 6pm:

- 0800 328 5644
- Textphone 0800 328 1344

If you do not have enough money to live on while you are waiting to be paid, you may be able to get an advance payment of UC.

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## **When you may request an advance payment of UC**

If you have only just claimed UC, you may have to wait up to five weeks for your first payment

If you have been moved from your previous benefit to UC, you may still have up to 5 weeks to wait for your first payment.

You can also apply for help if your circumstances change and your needs increase but your UC has not yet been increased (e.g. you now have a partner but your money is still being paid as if you are single) or if you move from another benefit to UC.

## **How to apply**

If you are within your first Universal Credit 'assessment period' (first month of your claim) you can apply for an advance online through your UC account using the 'apply for an advance' section. Otherwise – speak to your Work Coach or call the UC helpline (see above)

You will need to attend an appointment at the jobcentre to provide identification and bank details, and if you have a partner you need to make a joint claim for the advance.

## **Financial Need**

If you have moved to UC from a previous benefit claim, you will be assumed to be in 'financial need' for the first month of your claim.

Otherwise you will have to show that you are in 'financial need' – where there is a serious risk of harm to the health or safety of you or any member of your family and the advance payment is the only way of meeting this need. This may be, for instance, if you have no money to pay fuel bills or buy food.

You will need to explain your financial need to your work coach – try to list the bills that you cannot meet, and explain the impact this will have upon you.

If you are not sure what to do, or you have been refused payment, contact us on the Helpline.

## **Time Limits for claiming advance payments**

You will need to be sure of the date that your claim started: once you have claimed (and waited for seven days, in most cases) your claim begins its first 'assessment period' (a period of a month).

If you are claiming for the first time or because of a change of circumstances, you can NOT claim in the last three working days of the UC assessment period.

If you have been moved over from existing benefits, you can claim an advance payment at any time during the first assessment period.

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Seek advice if you are refused payment because of the time limit, as these rules are very new and may be open to challenge.

## **Repaying UC advances**

If you are awarded a payment, it is repayable from when you get your full UC award.

It is not repayable in one go – you usually have 12 months to repay.

In exceptional circumstances, you may be able to defer repayment for up to three months.

If you are struggling with repayments, seek advice.

## **Alternative Payment Arrangements - if you are having problems budgeting on UC**

You may be able to seek help if, for instance, you have rent arrears or debt problems, you are ill or disabled, you have a learning difficulty or problems with reading, maths or language, you are homeless or in temporary or supported accommodation, you are a victim of abuse, you are vulnerable because of your age, if you have recently left hospital, left prison, or suffered a bereavement, Members of the Armed forces may also seek this help.

## **If you need the rent part of your UC to be paid direct to your landlord**

If you are in arrears with your rent (by two months or more) or you are struggling to pay the full amount of rent, you can request that the rent part of UC be paid to your landlord.

You must usually provide proof of your arrears, and a breakdown of how these have built up, as well as contact details for your landlord. If you are getting help from an adviser (such as CAB) ask for their help with this.

## **If you cannot manage on monthly payments**

You may be able to ask for payment to be made twice a month or (more rarely) four times a month.

If this arrangement is agreed, payments of your rent will also automatically be made direct to your landlord.

## **If you need the single monthly UC payment to be split in to two payments**

This can only apply if you are a member of couple and it would help you to avoid hardship for the payment to be split between you.

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This is meant to apply in exceptional circumstances, including where your partner is being paid the UC but is unable to manage, or is refusing to share the money or mismanaging your finances.

If this arrangement is agreed, payments of your rent will also automatically be made direct to your landlord.

## **Reviewing Alternative Payment Arrangements**

Any Alternative Payment Arrangement will be reviewed after a time, as the aim, will always be to get you to the point where you can manage without this support.

## **What if I am refused an Alternative Payment Arrangement?**

Seek advice – it is not possible to appeal against such a decision but UC will review their decision 'if further information is provided'.

## **One-off loans for essential items - Budgeting Advances**

If you need help getting some essential items, you may be able to claim a loan called a Budgeting Advance.

- a one-off item, such as furniture, a fridge or a cooker
- unexpected expenses (large bills that you did not expect etc)
- expenses for starting a new job or keeping a job, (work clothes, tools, etc)
- repairs to your home, maintenance or security
- travelling expenses
- maternity expenses
- funeral expenses
- moving costs or rent deposit
- clothing

Budgeting Advances are repayable from your future payments of UC. You will need to have paid off any previous award and the Jobcentre will need to be sure that you are able to repay what you borrow.

You can get a Budgeting Advance if you have been on UC for at least 6 months (or if you or your partner have been on Income Support, income-Based Jobseeker's Allowance, Income-Related employment and Support Allowance or Pension Credit for at least 6 months)

- BUT where the advance is to help you to get or keep a job, you don't have to have been on benefit for 6 months, you can apply right away.

You will not get the help if you have earned over a set amount in the six months prior to your claim for a Budgeting Advance – the limit is £2,600 for single claimants and £3,600 for couples.

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## How much is a Budgeting Advance?

The minimum payment you can get is £100; the maximum payment depends upon your circumstances:

- single person without children - £348
- couple without children - £464
- single or couple responsible for any children/young people - £812

If you have got any capital in excess of £1,000 your Budgeting Advance will be reduced.

The loans are usually repayable over a period of 12 months, but it may be possible to extend this to 18 months in exceptional circumstances.

- You can apply online - <https://www.gov.uk/budgeting-help-benefits/how-to-claim>
- or there is a paper form <https://www.gov.uk/government/publications/budgeting-loan-claim-form>
- or contact our helpline.

If you are refused a Budgeting Advance, seek advice – there is no right of appeal but you can ask the DWP to review its decision.

## Other money problems

It may be possible to arrange direct deductions from your UC payments if you have arrears of other essential bills, such as gas and electricity, Council Tax or Magistrates' Court fines.

These deductions could help you to manage your money and also to stop court action against you – but it is important to make sure you will have enough UC left to live on.

If you are having financial problems because of debts, seek advice from your local CAB, or ask your Work Coach to refer you for further help.

## Derbyshire Discretionary Fund

The DDF provides help with Emergency Cash Payments and Exceptional Pressure Grants. DDF is a service provided by Derbyshire County Council and is not part of Universal Credit.

## Emergency cash payment

An emergency cash payment may help people when they cannot pay for food, heating or emergency travel which could lead to an immediate and serious risk to the health and safety of the person or their family. This could be because of a disaster or crisis.

If an emergency cash payment is awarded it will be given in voucher form which can be taken to a post office with proof of ID.

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## Exceptional pressure grant

An exceptional pressure grant may help people who are on benefits such as Income Support, Income-Related Employment and Support Allowance, Income-based Jobseeker's Allowance: these are the benefits which universal Credit is due to replace and are referred to by the government as 'legacy' benefits.

If you are in receipt of Universal Credit instead of one of the 'legacy' benefits, contact DDF to discuss your situation to see if a payment can be made. If possible have the details of your UC entitlement available so that you can show that you are on a benefit that is the equivalent of a 'legacy benefit'.

- You can also get help if you receive benefits such as;
- Guarantee or Savings Pension Credit
- Contribution-based Employment and Support Allowance where household income is the same as income-based level
- Contribution-based Jobseeker's Allowance where household income is the same as income-based level
- or you are likely to qualify for one of those benefits when establishing yourself in the community
- you have been on one of these benefits within the last three months before making the application, and the reason you are no longer on benefit is that you have started employment.

An exceptional pressure grant may help people who have particular difficulties because they need help to:

- return to living in the community after a time in care
- remain living at home or in the community rather than going into care
- ease the exceptional pressure that they and their family are facing
- settle in the community as part of a re-settlement programme
- meet certain travelling expenses.

If an exceptional pressure grant is awarded it will usually be paid to the applicant in the form of a pre-loaded payment card. This can be taken to a specified shop to buy the items that the grant has been awarded for.

The Derbyshire Discretionary Fund application line is 01629 533399 Monday to Friday, 10am to 4pm.



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Additional information can be found on our website, visit [www.derbyshire.gov.uk/welfarebenefits](http://www.derbyshire.gov.uk/welfarebenefits)

To keep up-to-date with benefit changes in Derbyshire go to  
[www.derbyshire.gov.uk/benefitnews](http://www.derbyshire.gov.uk/benefitnews)

**Benefits Helpline – 01629 531535 or email**  
**[welfarebenefits@derbyshire.gov.uk](mailto:welfarebenefits@derbyshire.gov.uk)**

**Monday, Tuesday, Thursday, Friday**  
**11.00am – 4.00pm**