

Universal Credit: how it helps your employees/workers

Questions your employees/workers may have about Universal Credit.

Details

If you're an employer or recruiter, this information can help you answer any questions your employees/workers may have about Universal Credit such as:

- How does receiving Universal Credit benefit your employees/workers?
- Is it worth them taking extra shifts or working more hours?
- What happens if their earnings change every month?
- If they get a bonus, how will that affect their Universal Credit?
- How to contact Department for Communities if something changes or if they've
- got a query about their Universal Credit?
- Is there any help with childcare?

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1. Introduction

If you are an employer or recruiter, this information can help you answer any questions your employees/workers may have about Universal Credit.

2. Universal Credit support

Universal Credit helps you if you are on a low wage by topping up your earnings. If your earnings change, your Universal Credit top up will change automatically to help ensure you are better off in work.

Universal Credit is based on earnings and not hours worked, offering more flexibility for staff to increase their hours.

3. Taking extra shifts or working more hours

If there are extra hours available from your employer it is worth taking these on as your Universal Credit is based on your income and not the number of hours you work.

You can earn a certain amount, which is based on your individual circumstances, before your Universal Credit payment is reduced.

Once you earn above that amount your Universal Credit payments will be reduced at a steady rate.

The more you earn, the higher your total income will be, which helps ensure that you will be better off in work than on benefits.

Once you are earning enough money through work you will no longer receive Universal Credit.

The Department for Communities will automatically notify you if this is the case and your claim will close.

If you need to come back onto Universal Credit within 6 months of your previous claim ending, Universal Credit will make it easy for you to do so.

4. What happens if my earnings change every month?

The amount of Universal Credit you receive changes automatically if your take home pay changes. This includes when a claimant gets two earnings payments within an assessment period, their income may be too high to qualify for Universal Credit in that month. The claimant's statement will clearly break down how much Universal Credit will be paid and how earnings have been taken into account. If this happens, the claimant will be notified that their income is too high and they will no longer get Universal Credit. A claimant can reapply for Universal Credit the following month.

Claimants will need to be prepared for a month when they get two earnings payments in one assessment period and budget for a potential change in their monthly Universal Credit payments.

If your employer or recruitment agency is on the Pay As You Earn (PAYE) Real Time Information (RTI) system your Universal Credit will automatically adjust each month to take account of the earnings you have received.

Employers are required to submit RTI on or before the date you are paid. Your earned income is based on the actual amount received in the assessment period and is considered in the assessment period in which it is received.

If you disagree with the information used to calculate your earned income, you will be asked to provide supporting evidence, such as wage slips/ bank statements for the disputed period. If your Work Coach or Case Manager cannot resolve the case, it will be referred to the RTI Support Team.

For further information on disputed earnings and how to raise a dispute speak with your Work Coach or Case Manager.

If it is established the earnings are correct, a dispute is not raised. If they aren't on the system, you must report your take home pay each month to the Department for Communities (DfC) to make sure you receive the correct amount of Universal Credit.

5. Bonus payments

In most cases any bonus payments you get from your employer are assessed along with your salary and could reduce the amount of Universal Credit you receive in that month.

Usually, you'll continue on Universal Credit automatically for the next payment.

However, if the bonus was so large it ended your entitlement to Universal Credit, then the Universal Credit system makes it easy to return to claiming Universal Credit.

6. Changes in circumstances

You are responsible for notifying Universal Credit of all changes to your circumstances, including any periods of work, or changes to your working hours.

If you need to report a change or have a query about your Universal Credit payment you should contact the Universal Credit Service Centre on 0800 0121 331 (text phone 0800 121 441) Monday to Friday, 8am to 6pm.

7. Help with childcare

Under Universal Credit you can get help with childcare costs, even if you are working under 16 hours a week, if you make a claim within the required time frame.

You can claim back up to 85% of paid out registered childcare costs, up to a monthly limit of £950.92 for one child, or £1,630.15 for two or more children.

You should tell Universal Credit straight away when you have a firm job offer as you may be able to claim childcare costs for at least a month before the job starts.

This can help with getting a routine in place.

You can also claim for at least a month after your employment ends, which can help you to maintain childcare as you move between jobs.

Help with Upfront Childcare costs

If paying upfront for registered childcare is preventing you from starting work, help may be available.

For further information go to [Adviser Discretion Fund](#) or [Help from your local Jobs and Benefits office](#) or you can speak with your work coach.