

Universal Credit: information for employers

Information for employers on how Universal Credit and earnings are worked out, employers' responsibilities and support available.

Contents

1. [Universal Credit does not limit the number of hours a claimant can work](#)
2. [How earnings affect Universal Credit payments](#)
3. [Employers: your responsibilities](#)
4. [Other support](#)

Universal Credit is a monthly payment for people who are on a low income, out of work or cannot work. In Northern Ireland it is usually paid twice per month, in arrears, direct to the claimant's account.

Universal Credit does not limit the number of hours a claimant can work

A claimant's earnings are used to calculate their Universal Credit. So, the number of hours a claimant can work and get Universal Credit is not limited.

For example, claimants can:

- work more than 16 hours a week
- increase their contracted hours
- get bonus payments
- get overtime
- have more than one job
- be on any type of employment contract

How earnings affect Universal Credit payments

When a claimant is employed, their Universal Credit payment reduces as they earn.

For every £1 they earn, their Universal Credit payment goes down by only 55p. If the claimant earns enough to reduce their Universal Credit payment to £0, their payments stop. Universal Credit will tell the claimant when this happens.

Some claimants, depending on their circumstances, are eligible for a '[work allowance](#)'. This is an amount that they can earn before their Universal Credit payment is reduced.

If the claimant earns a different amount each month, their Universal Credit will automatically adjust to reflect the amount they earn in that time:

- if a claimant's earnings reduce in a month then their Universal Credit will usually increase
- if their earnings increase, their Universal Credit will usually reduce

Find out more about [how earnings affect Universal Credit](#).

To claim Universal Credit, claimants may be asked to look for ways to increase their earnings. This could be by:

- taking on more work
- progressing in their current workplace
- searching for additional or alternative work with a different employer

For some claimants, this could mean they need to attend appointments at their local Jobs & Benefits office.

Employers: your responsibilities

Employers do not need to know if their employees are on Universal Credit, but claimants can tell their employer if they wish.

Employers do not need to tell the Department for Communities about any employees who are getting Universal Credit.

If you are a PAYE (Pay As You Earn) employer, you must:

- give the claimant's PAYE information (their 'Full Payment Submission' (FPS)) to HMRC on or before the day they're due to be paid
- enter the usual date that you pay your employees on your FPS, even if you pay them on a different date because their normal date falls on a non-banking day, for example a weekend or a bank holiday

Incorrect or late information could mean claimants will not receive the Universal Credit they are expecting.

The Department will then get the claimant's work status and automatically work out what Universal Credit they're entitled to based on the information you've already given to HMRC.

If you are not a PAYE employer, it is the claimant's responsibility to report their pay to Universal Credit each month.

Other support

Jobs & Benefits offices have recruitment services that can help employers to recruit, train, develop and keep their workforce. Find out more at [Finding Staff](#)

If a claimant has a query they can:

- find out more about [Universal Credit](#)
- [contact Universal Credit](#)