



Universal Credit

A new benefit called Universal Credit has started to replace a range of benefits and tax credits for people of working age.

Universal Credit is paid differently to these benefits - it is a single, monthly payment that includes help with your rent.

Universal Credit is for anyone on a low to moderate income. It does not matter whether you are in work (or how many hours you work), out of work because you are seeking work, caring, or too ill to work.

This leaflet explains more about the changes, how you can prepare for them and what help is available.



Think about how you will budget monthly

Universal Credit is generally paid monthly and you may have other income coming in at different times during the month. Drawing up a budget of all your household income and outgoings is going to be important if you want to make sure you can pay all your bills and manage until the end of the month.

If you need help an Income Advice Officer can visit you to;

- Assist with your claim for Universal Credit;
- Help you manage your rent payments;
- Provide budgeting advice.

Please contact us on 01782 231564 to arrange an appointment.

Alternatively you can contact the Citizens Advice Bureaux on 0344 411 1444 or visit the following online advisory websites;

www.moneyadviceservice.org.uk

www.stepchange.org

www.nationaldebtline.co.uk

Do I have to have a bank account?

No. You will need an account for Universal Credit to be paid into, but Universal Credit can be paid into several different types of account. Universal Credit can be paid into a:

- Post Office® card account - this is a type of account specifically designed for receiving benefits. It can only be accessed at a Post Office during opening hours, and does not allow Direct Debits or standing orders to pay rent or bills.
- Basic Bank Account - this allows you to have many of the same features as a current account without going overdrawn. Most allow Direct Debits and standing orders.
- Credit Union Current Account - many Credit Unions offer a current account where benefits and wages can be paid in, direct debits and standing orders can be arranged, and other banking facilities are available such as 'jam jar' accounts – see below.
- 'Jam jar' account (also called a budgeting account) - this is a new type of account that divides your money into several 'pots' so you can keep money to pay bills separate from your spending money. It often has a monthly fee.
- Current Account - this could be with a bank or building society. This type of account has the widest range of facilities, but you will normally need to pass a credit check to open one. And unlike 'basic' accounts you can become overdrawn and face charges.
- Prepaid Card Account - a card you can pay your Universal Credit onto. You can use the card to pay in shops, but you won't be able to set up direct debits or standing orders for bills or rent. You may be charged to set up the card, to receive payments, or use cash machines.

What is Universal Credit replacing?

Universal Credit brings together six benefits and tax credits and replaces them with a single monthly payment.

It is replacing the following:

- Income-based Jobseekers Allowance
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credit
- Working Tax Credit
- Housing Benefit

Any benefits you receive which are not included in the above list will continue to be paid as usual, such as Child Benefit, Carers Allowance, Personal Independence Payment, Council Tax Support and so on.



My Housing Benefit currently gets paid to my landlord - will this change?

In most cases, any financial support you get to help pay your rent will be included in your Universal Credit award, and paid to you on a monthly basis. You'll then pay your full rent to your landlord yourself. However, if you are two months or more in arrears with your rent, your landlord can request that an amount be taken out of your Universal Credit award and paid directly to them. This may not, however, cover your full rent and there may be a shortfall for you to pay.

If you feel that you would be unable to cope with paying your rent and are worried about falling into arrears, you can ask the DWP to consider you for 'alternative payment arrangements'. This is where the DWP pay an amount out of your Universal Credit award to your landlord, with any remaining entitlement paid to you. This may not, however, cover your full rent and there may be a shortfall for you to pay.

How and when will Universal Credit be paid?

Universal Credit will be paid once a month into an account that you choose. Universal Credit can only be paid as a single payment. So if you have a partner, and you have more than one account, you will need to choose which account it is paid into.

Your first payment will be made one calendar month and 7 days after your date of claim and then calendar monthly after that.

If you think you will find it difficult to manage while waiting for this first payment you can ask the DWP for an advance payment. This will be paid back out of your future Universal Credit payments.

Some people, rather than having monthly payments, can get the amount split and paid twice a month - but you will have to ask for this and explain why you cannot manage with monthly payments.

In future, Housing Benefit will be paid direct to you through your universal credit. This means that you will have to make arrangements to pay your rent to us.



Help and advice

If you have worked out your budget and you do not have enough money to live on or have debts to repay we can help you to stop the situation getting worse. An Income Advice Officer can visit you to look at ways to maximise your income and provide budgeting advice. To make an appointment please call us on 01782 231564.

Further help and advice can be obtained from:

Staffordshire Credit Union Blurton
Community Hub
Ingestre Square, Blurton
Stoke-on-Trent, ST3 3JT
01782 792187
(Monday - Friday, 10am - 3pm)
www.staffscu.co.uk

The Money Advice Service
0300 500 5000
Monday to Friday, 8am - 8pm
Saturday, 9am - 1pm.
www.moneyadvice.service.org.uk

Money saving expert

Advice on the best shopping deals, utility bills and special offers.

www.moneysavingexpert.com

Stoke Citizens Advice Bureau

Advice House
Cheapside, Hanley
Stoke-on-Trent, ST1 1HL

Monday, Tuesday, Wednesday
and Fridays, 9am - 2pm

For advice telephone
03444 111 444

National Debtline

0808 808 4000

www.nationaldebtline.co.uk

Consumer Credit Register

0800 111 6768

www.fca.org.uk click on
'search the register'

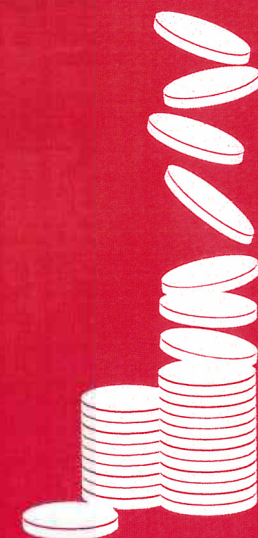
Monday - Friday, 8am - 6pm
Saturday, 9am - 1pm

stoke.gov.uk



Managing your Money

stoke.gov.uk



Set up a budget

If you want to get on top of your finances, a budget is a really good way to start. It's just a record of money you have coming in (from things like your salary or wages, pensions or benefits) and payments that you make (such as your rent, insurance and council tax as well as living expenses and regular and irregular spending).

Consider what you spend on the following things:

- **Household bills**
rent, council tax, gas, electric, water
- **Living costs**
food, clothing etc
- **Financial products**
house and car insurance etc
- **Family and friends**
pocket money, birthday and Christmas presents, parties etc
- **Travel**
petrol/diesel, bus fares, train fares, taxis
- **Leisure**
tobacco, alcohol, holidays, days out

You can set a budget up by using a spreadsheet on your computer if you have one or by simply writing it all down on a piece of paper. If you use the internet there are online budget planners that you can use.

Check where your money goes

If you're spending more each month than you are getting as income, the next step is to look more closely at where your money is going and where you can cut back. Even small amounts for things such as magazines, sandwiches at lunchtime or take-aways - **can add up**.

Keep a spending diary

Keeping a spending diary is an effective way of seeing exactly what you spend your money on. Try making a note of what you spend for at least a month (including even small purchases). If you can do it for even longer, you'll get a fuller picture of what you spend your money on.

Once you have a clear picture of where your spending is going you can look at where you can cut back.

Paying off loans and credit cards

If you have loans or owe money on credit cards it usually makes sense to pay off the debt that charges the highest rate of interest first - it's the fastest way to clear your debts.

Knowing this is useful if you have several different debts charging different rates of interest, such as:

Set a savings goal

Some people find it hard to get motivated about saving, but it's often much easier if you set a goal. That way, rather than thinking about the money you are setting aside each week or month, you can focus on what you will be able to do once you've reached your goal.

Your first step is to have some emergency savings - money to fall back on if you have an emergency.

Once you've set aside your emergency fund, possible savings goals to consider might include:

- Taking a holiday without having to worry about the bills when you get back
- Having some extra money for Christmas and birthday presents
- Extra money for clothes and other treats.

The easiest way to save is to pay some money into a savings account every month. It's worth setting up a standing order if you can, so the money goes straight from your bank account without you having to do anything.

If you do not have a bank account you could consider applying to the Staffordshire Credit Union for a Jam Jar account which is similar to a savings account.

It's a good idea to:

- Pay the money into your savings account as soon as you get paid
- Increase the amount you save if any of your outgoings fall
- Check that you are getting a competitive rate of return on your savings.

- Store cards, which normally charge the highest rates of interest
- Credit cards
- Personal loans from the bank, which normally charge a lower rate of interest than credit or store cards.

It is important to make sure you don't break the terms of any of your

agreements. So even if you're focusing on paying down another debt, you must pay at least the minimum on any credit cards and your monthly required payments on any loan agreements.

If you're overwhelmed by your debts please refer to our 'Managing Debt' leaflet.

Help and advice

If you have worked out your budget and you do not have enough money to live on or have debts to repay we can help you to stop the situation getting worse. An Income Advice Officer can visit you to look at ways to maximise your income and provide budgeting advice. To make an appointment please call us on 01782 231564.

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and Fridays, 9am - 2pm

For advice telephone
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National Debtline

0808 808 4000

Monday - Friday, 9am - 9pm

Saturday, 9.30am - 1pm

www.nationaldebtline.co.uk

Consumer Credit Register

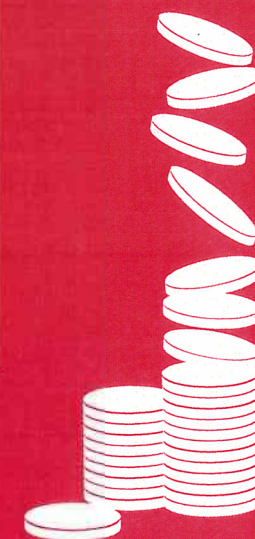
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Managing Debt



If you have a problem with debt, it's important not to panic but don't ignore it either - it won't go away. The key to debt problems is to deal with them sooner rather than later. Putting off sorting out money issues can make things worse.

Steps towards managing your debt

By addressing your debts and managing them better, you may also be able to bring your repayments down and take steps to eventually becoming debt free.

Sort out your debts

- Sort out how much money you owe
- Work out which are the most urgent debts for you to pay off. Some debts are more urgent than others.

These are rent arrears, council tax arrears or gas and electricity arrears

- Work out if you've got any money to pay your debts off and, if so, how much
- Deal with the most urgent debts as a matter of priority
- Look at your options for dealing with the less urgent debts and work out how to pay them off
- Contact your creditors and make arrangements to pay back what you owe
- Work out your options if you don't have enough money to pay off all your debts.

Create a household budget

Create a budget for your household showing all income and expenditure, including any benefits you receive. If this shows you have more money going out than coming in you need to acknowledge the problem and do something about it. Do not bury your head in the sand.

Talk to your creditors ASAP

If you are struggling to pay your debts, talk to your creditors at the earliest opportunity. They are prepared to listen and can often agree to accept reduced payments, though this is entirely at their discretion.

Pay more than the minimum

With credit cards, try not to get into the habit of making minimum payments. This will mean it will take longer to repay the debt and you will pay more interest. Always try and overpay if you can afford to; it is a much more efficient way of paying off your debt.

Borrowing money

Make sure you get advice BEFORE you borrow money. It's important to make sure you will be able to keep up the repayments; otherwise you could be taken to court and might even lose your home or other valuable possessions.

Find out about the different ways to borrow money, how to borrow sensibly and how to avoid some of the pitfalls of borrowing.

Ways to borrow money

- **Personal loans** A bank, building society, credit union or finance company can give you a personal loan whether or not you're a customer. You can apply for a loan in person at a branch or by post, phone or online.
- **Home credit** (doorstep lenders) Home credit is where you borrow money and the lender calls at your home to collect the repayments. The loans are usually for smaller amounts and you will be charged a high rate of interest for borrowing in this way.
- **Pawnbrokers** A pawnbroker is someone who lends money according to the value of goods left with them (pledged). When you leave your goods with the pawnbroker they must give you a receipt known as a ticket.
- **Payday loans** Payday loans are short-term loans for small amounts of money. They are available from high street shops and internet sites. Payday loans can be easy to get but interest rates are very high. There may be other ways for you to sort out your short-term money problem so think about the alternatives before you borrow. If you decide to get a payday loan, shop around and compare the interest and charges before you borrow. Make sure you are clear about what will happen if you can't pay it back.

- **Unlicensed money lenders** (loan sharks) To lend money lawfully you have to be licensed by the Office of Fair Trading (OFT). People who lend money without a licence are breaking the law. They are known as loan sharks. Loan sharks often work from home, charge very high rates of interest and don't give you much paperwork to confirm the arrangements they have made with you. Loan sharks often take other illegal action to collect the money they have lent you, such as threatening violence or taking away your credit cards or valuables. In extreme cases they have been known to force non-payers into prostitution and drug dealing. Unlicensed moneylenders are not regulated by the Office of Fair Trading (OFT) so operate outside of any codes of practice, rules, regulations and the law. Do not borrow from a money lender if they are not licensed - you are putting yourself at risk. **You can find out whether a money lender is licensed by checking the Consumer Credit Register**



Are you going to be affected by the benefit cap?

Let's look at your options:

You can claim working Tax Credits.

Look for a job for 16 hours a week or more if you're a lone parent.

If you are a couple you need to work 24 hours or more between you with one of you working for 16 hours.

Sick or disabled or have a disabled child

You could be able to claim for a Personal Independence Payments, Disability Living Allowance or Attendance Allowance.

Get some budgeting advice.

The Potteries Moneywise project is able to give advice.



Benefit cap 2016

Will this affect you?



If you receive more than £385 per week in benefits including your Housing Benefit the new benefit cap could affect you and how much you need to pay towards your rent.

In **April 2016** the Benefit Cap is changing from **£500 per week to £385** for a couple with a family and lone parents claiming Housing Benefit.

Fill in our benefit cap assessment to see if you will be affected.

Need help?

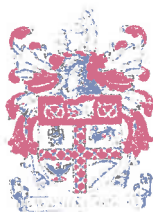
The Income Advice Team is here to help you today or you can contact on 01782 231564

The Income Advice Team

We can visit you in your own home and give you advice about managing budgets and look at income

Maximisation if you are affected by the benefit cap or the bedroom tax.

Telephone 01782 231564



Benefits NOT included in the Benefit Cap

For claimant/partner or child/young person receiving:

- Working Tax Credits
- Employment Support Allowance with Support Component
- Industrial Injuries Disablement Benefit
- Attendance Allowance
- Disability Living Allowance
- Personal Independence Payments
- War Widows Pension

Exemptions

If you have been in work for 50 to 52 weeks prior to claiming for Housing Benefit and did not receive Job Seekers Allowance the benefit cap will not apply for the first 39 weeks of your claim.

If you are affected by the cap go to the back page for your options or talk to the

Income Advice Team
Telephone 01782 231564

Put in the amounts of the benefits you receive below

Benefit	Amount
Income Support	
Employment Support Allowance	
Job Seekers Allowance	
Child Benefit	
Child Tax Credit	
Housing Benefit	
Incapacity Benefit	
Maternity Allowance	
Severe Disablement Allowance	
Widows Mothers / Parents Allowance	
Guardians Allowance	
Carers Allowance	
Bereavement Allowance / Widows Pensions	
Total*	
Take away the benefit cap amount	385. 00
Total	

Your housing benefit may be reduced by this amount

*If the amount is below £385 the cap may not apply