

Universal Credit (April 2021-22)

Step 1: CHECK CAPITAL

Upper Limit: £16,000. Ignore capital under £6,000. Tariff income applies to capital in between. Some capital is ignored.

Step 2: MAXIMUM UC

A. Standard amount:

Single per month
 aged under 25 £257.33¹
 aged 25 and over £324.84¹

Joint claims:

if both aged under 25 £403.93¹
 If one or both aged 25 or over £509.91¹

¹ all standard allowances will have an extra £86.67 Covid uplift until September 2021. **Add this on if it applies.**

B. Child elements:

first/oldest child/QYP² £282.50
² only if born before 06.04.2017
 each subsequent child/QYP³ £237.08
³ subject to "Two-Child Policy" for children born **after** 06.04.17
 addition for child disability:
 lower rate (any rate DLA/PIP) £128.89
 higher rate⁴ £402.41⁴
⁴ if DLA Care highest / PIP Daily Living enhanced

Childcare Costs: actual childcare costs

take 85% of actual costs - i.e. x 0.85
 equals **childcare costs element**⁵

⁵ max. £646.35 pcm for one child; £1,108.04 pcm for 2+

C. Other UC Elements:

carer's - per qualifying adult⁶ £163.73
 limited capability for work^{6,7 & 8} £128.89
 LC for work related activity^{6 & 7} £343.63
⁶ only the highest of carers / LC for same person
⁷ only one LCW / LCWRA element per couple
⁸ not payable on new claims after April 2017

Housing Costs- if any

- eligible rent (LHA / bedroom tax apply)
- service charges/ground rent /crown tenants
 (Support with Mortgage Interest now via separate loan)

less any **ineligible service charges**

less any **housing costs contribution**

rent only - £75.53 pcm per non-dep. but **not** if:

- **Tenant:** on PIP Daily Living, DLA Care middle/highest or AA
- **Non-Dep:** under 21, resp. for child u5, on PC, or on: DLA Middle/High Care, PIP Daily Living, AA or Carer's Allowance

equals **housing costs element**

equals **Maximum Amount**

less **Total Income** (from step 3)

Universal Credit due

before any transitional element OR deductions for e.g. third party payments, repaying advances, sanctions, benefits cap

Step 3: INCOME

£ p

A. Earned Income:

Gross earnings in that assessment period **less:** work expenses, income tax, National Insurance and any pension contributions

claimant's monthly earnings
 partner's monthly earnings
 statutory payments (SSP, SMP, SAP, SPP, SSPP)
 surplus earnings

less **Work Allowance**

Category	If HC ⁸	No HC
no children or limited capability	£0	£0
with children or limited capability	£293	£515

⁸ lower Work Allowances apply if any housing costs element

equals **Net Earnings (after WA)**

take 63 % of this figure - i.e. x 0.63

x 0.63

equals **A. Earned Income**

B. Unearned Income

NB. Convert into monthly amounts e.g. multiply by 52, 13, 26 as appropriate and divide by 52

Benefits:

Count any of the following benefits⁹:

- Contribution-based JSA, Contributory ESA
- Bereavement and Widows payments
- Retirement Pension
- Industrial Injuries Payments
- Maternity Allowance
- Incapacity Benefit /SDA
- Carer's Allowance

⁹ all other benefits (including AA, DLA, PIP, Child Benefit) are ignored.

Tariff income from capital:

£4.35 per £250 between £6,000 and £16,000

Other unearned income:

Ignore all payments: in kind, fostering, s17 & s24, loan protection, all voluntary / charitable payments

Ignore all child maintenance

Count in full:

- occupational or works pension
- spousal maintenance
- student grants or loans
- any other taxable income:

equals **B. Unearned Income**

A +B equals **Total Income**