

# The **Potteries Gold** Post

## **WHY ARE WE WAITING?**

### **SIX WEEK PAYMENT WAIT AT START OF UNIVERSAL CREDIT CLAIMS CAUSES MPs TO DEMAND ROLL-OUT PAUSE.**

Next spring, **Universal Credit (UC)** is due to replace **six existing benefits** - Income Support, Income-based Jobseeker's Allowance, Income-related Employment and Support Allowance, Child Tax Credit, Working Tax Credit and Housing Benefit (for people under Pension Credit Age) – for all **new claims** in Stoke-on-Trent.

**Citizens Advice** and many other **charities** have been calling for the roll-out of this benefit to be paused, along with **Opposition** political parties and even some **Government MPs**. A major concern is the **long delay** between making a claim for Universal Credit and receiving your first payment - usually **at least six weeks!**

This delay is not due to administrative problems – it is how UC works. There are seven **waiting days** at the start of most claims, for which you are not entitled to any money. Payments are then made **calendar monthly in arrears**, adding at least four more weeks, plus extra time for the payment to be processed and received in your account.

In practice, it is often taking even longer than this for UC claimants to be paid, leading to **rent arrears** and rising **foodbank use**.

Because Universal Credit includes allowances for children, childcare and rent, if you have children or housing costs, you can lose much more money during the waiting days for this benefit than you would claiming a combination of so-called **legacy benefits**. Although JSA and ESA have also had seven waiting days since 2014, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit have **no waiting days**.

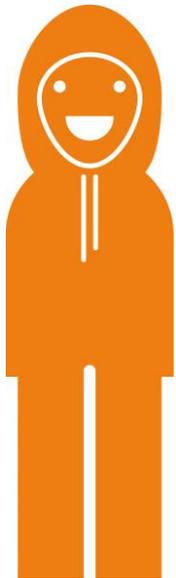


## DO I HAVE TO GO SIX WHOLE WEEKS WITH NO MONEY?

As long as the DWP have all the information they need to process your claim, they can pay a **short-term advance**. This is a **loan** and has to be paid back **within six months**, or 12 months if you are moving to UC from another benefit. Although the usual offer is of two weeks' benefit, you can request more or less if you need it.

People often complain that the DWP are not telling them about short term benefit advance payments, so they run up debts or are forced to rely on friends, family or charities for food or money. Even where people know about them, **budgeting** around the deductions for repayment causes further problems.

### Example



Dean's fixed-term job has come to an end, so he has claimed Universal Credit. He is 26, so his monthly personal allowance is £317.82. If his eligible rent is £55 per week, for a room in a shared house, his award would include £238.33 per month for housing costs. The seven waiting days will cost him **£128.34 in lost benefit** - it would have been £73.10 on JSA - worth around two and a half weeks' rent.

His total UC should be **£556.15 per calendar month** but, if he asks for a short-term advance of £256.68 (two weeks' UC), his payments will be reduced by **£42.78 per month** for **six months**. Dean is likely to run up further rent arrears during this time.

Dean's first UC payment will eventually come through as one monthly lump sum of £513.37. By the time he has paid six weeks rent (at least £330) out of this, he will have just £183.37 (£42.32 per week), to see him through the calendar month to his next payment.

Potteries Gold is a **Citizens Advice Staffordshire North & Stoke-on-Trent** project to help people in Stoke-on-Trent cope with changes to the benefit system

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