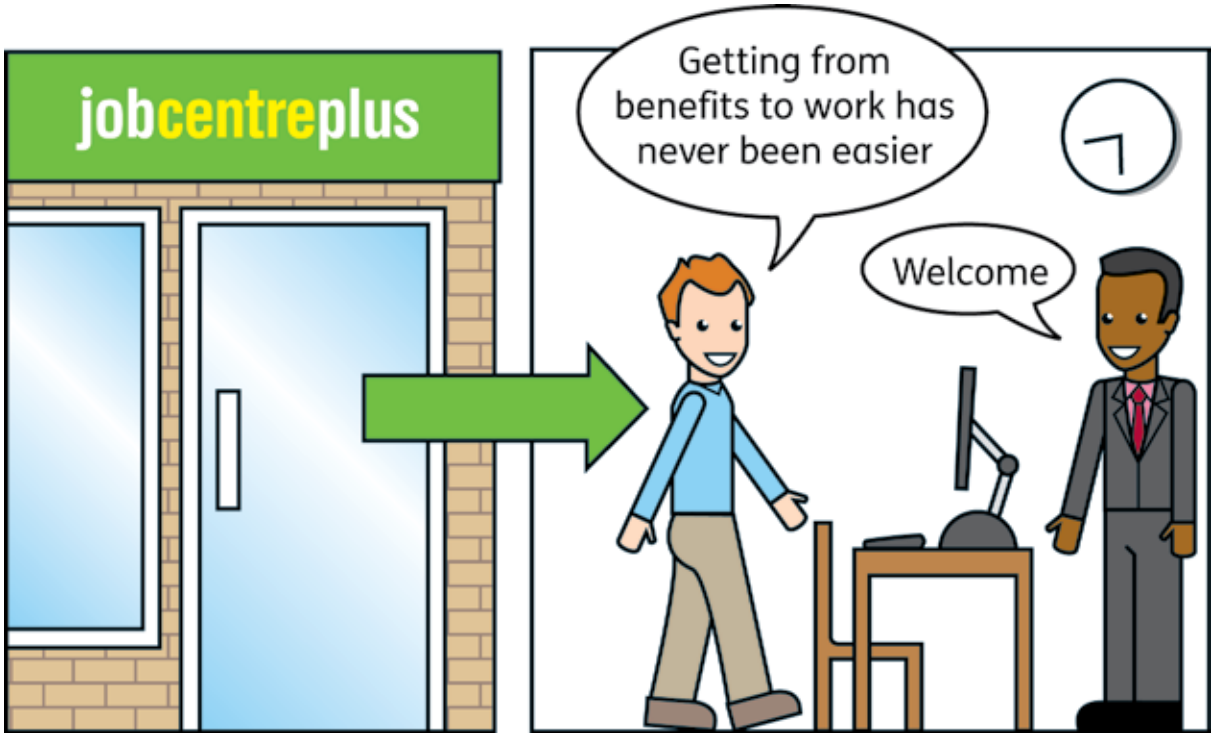

About Universal Credit

November 2010

Easy Read

DWP Department for Work and Pensions

Important

Maroon writing

In this easy-read booklet we sometimes explain what words mean.

The first time we mention any of these words, it is in **bold maroon** writing. Then we write what the words mean in a light purple box. If any of the words are used later in the booklet, we show them in normal maroon writing.

These words and what they mean are also in a Word List at the back of the booklet.

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What this booklet is about

Earlier this year the government said that it wanted to give better help to these people.

- People who do not have a job.
- People who do not have enough money.

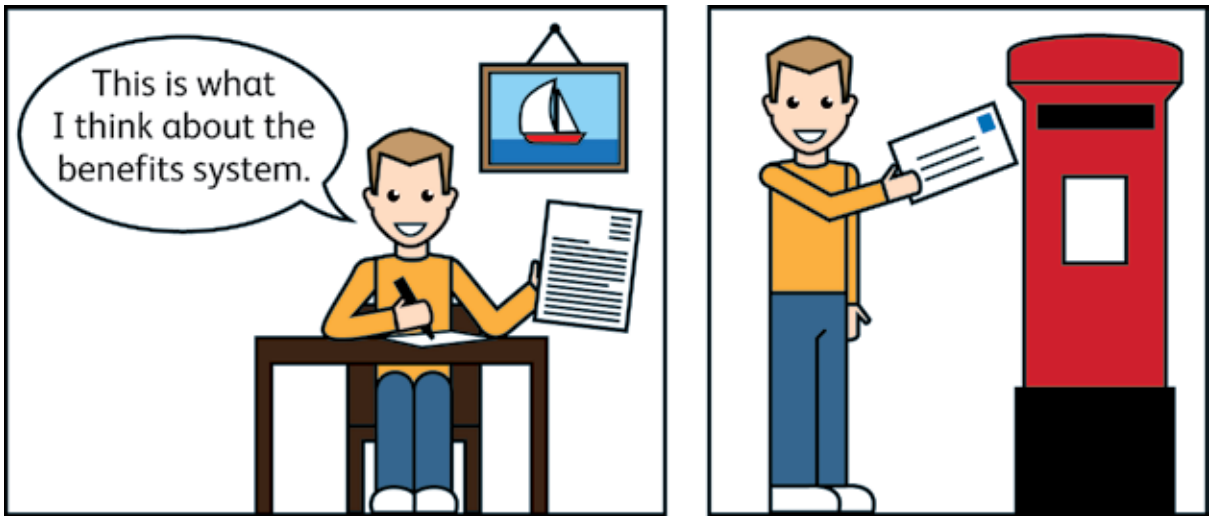
At the moment the **benefits system** is very hard to understand.

Benefits system

This is a government system that gives money to people when they are out of work or not able to work and do not have enough for housing or food.

When people use the benefits system now they cannot be sure that they will have more money if they get a job.

A lot of people wrote letters to the government to say that they felt the same way about the benefits system.



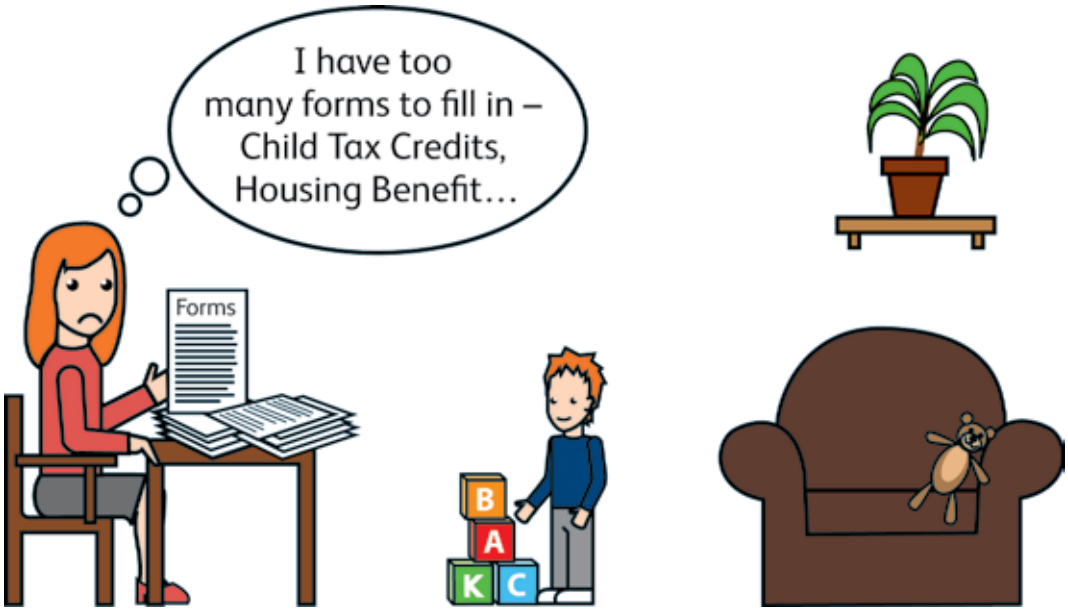
The government has worked out a new system called Universal Credit which will make things better.

Universal Credit will make sure that people will have more money if they get a job.

Universal Credit will make things easier to understand because it will take the place of lots of other benefits. So people will get just the one benefit.

About Universal Credit

At the moment, some people who are over 16 and under 65 do not have enough money to look after themselves. These people can get many different benefits.



- **Income Support**. This is money people may get if they do not have a job or they work less than 16 hours a week. And the money they have coming in is less than the government says they need to live on.

- **Jobseeker's Allowance**. This is money people get if they do not have a job, but they can work.

- **Employment and Support Allowance**. This is money people get if they have no job, and they cannot work at all, or cannot work now but could work some time in the future.

- **Housing Benefit**. This is money that helps people who are both in and out of work to rent a home.

- **Child Tax Credit**. This is money that is paid to people who have at least 1 child or 1 young person living with them.

- **Working Tax Credit**. This is money that people get if they have a job and work more than 16 hours a week but they are on a low wage.

Universal Credit will help people who do not have a job or who do have a job but do not have enough money.

The government thinks that this will be better than having

- one set of benefits for people who do not have a job.

- one set of benefits for people who have a job.

This is because people can worry if they have to move from one set of benefits to another set of benefits.

People who get Universal Credit will be able to do more work before they start to lose money from their benefit.

At the moment people lose more than 90 pence for every pound they earn after tax.

When Universal Credit starts and people do more work, they will lose about 65 pence of every pound they earn after tax.

This means that we will let people keep some of their benefit before they start to lose money from their benefit because of their wages. We call this the taper.

We will also let people keep some of their benefit before we start using the taper. We call this the disregard. The amount we will disregard will depend on the needs of each household.

Universal Credit will not take the place of **Disability Living Allowance**. But the government will be changing Disability Living Allowance to make sure that this money goes to the people who most need help.

Disability Living Allowance

This is money that is paid to people who have a disability and need help with personal care or getting around, or both of these things.

The benefits that people can get if they have paid **National Insurance Contributions** will not be replaced by Universal Credit.

National Insurance Contributions

When you work you pay National Insurance Contributions so that you can get some benefits.

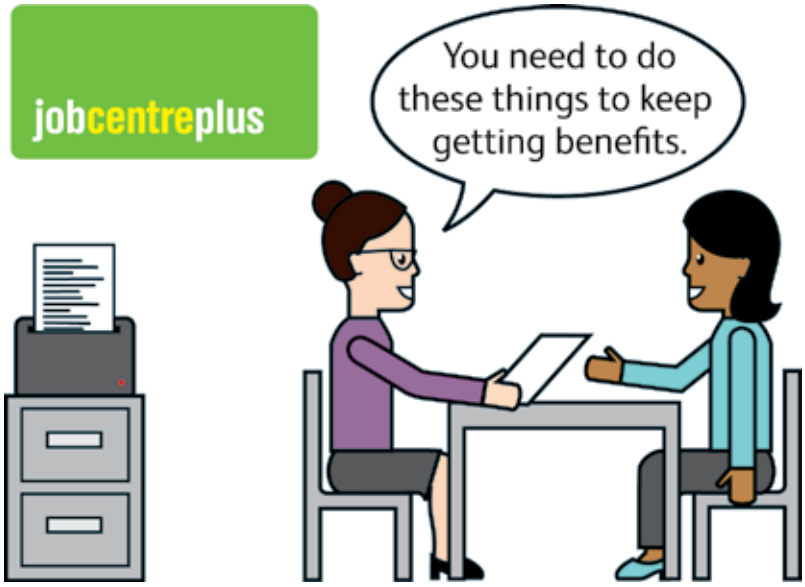
The amount you pay depends on how much you earn and whether you are employed or self-employed. You stop paying when you get to State Pension age.

But the government will be changing the benefits to make them better and to make sure they work with Universal Credit.

When people get Universal Credit they will have to sign a form to say that they understand what they have to do.

Some people will have to look for a job or look for more hours of work.

Some people will have to think about what jobs they can do in the future.



People who are not able to work because of their disability or because they are very ill will not have to think about getting a job.

Universal Credit will help people work within the law to make more money.

Universal Credit will make it easier to see if people are getting the right amount of money.

Universal Credit will be a lot easier to understand so people who get benefits and people who work for the government will make fewer mistakes.

Most people will get all the help they should get. This is because people will not have to know about lots of different benefits. They will just ask for 1 benefit and this will give them all the help they need.

The government thinks that everyone who can work should have a job. The way Universal Credit works will mean that more people will have jobs.

Most people will use the internet to ask for Universal Credit, but there will be advisers who will be able to help people who cannot use the internet.

We expect Universal Credit will be paid monthly into a person's bank account. The amount people get will be worked out by computer.

If a person has a job, the amount they get paid will affect the amount of Universal Credit they get from the payday after they get their wage.

The government will make new laws to change the benefits system. Then, from 2013, people who ask for help will get Universal Credit.

After 2013 the government will move everyone from their old benefits to Universal Credit.

But the government promises that no one will get less money when they get Universal Credit than they were getting before, as long as there are no other changes in their circumstances.

Word list

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This is a government system that gives money to people when they are out of work or not able to work and do not have enough for housing or food 3

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