



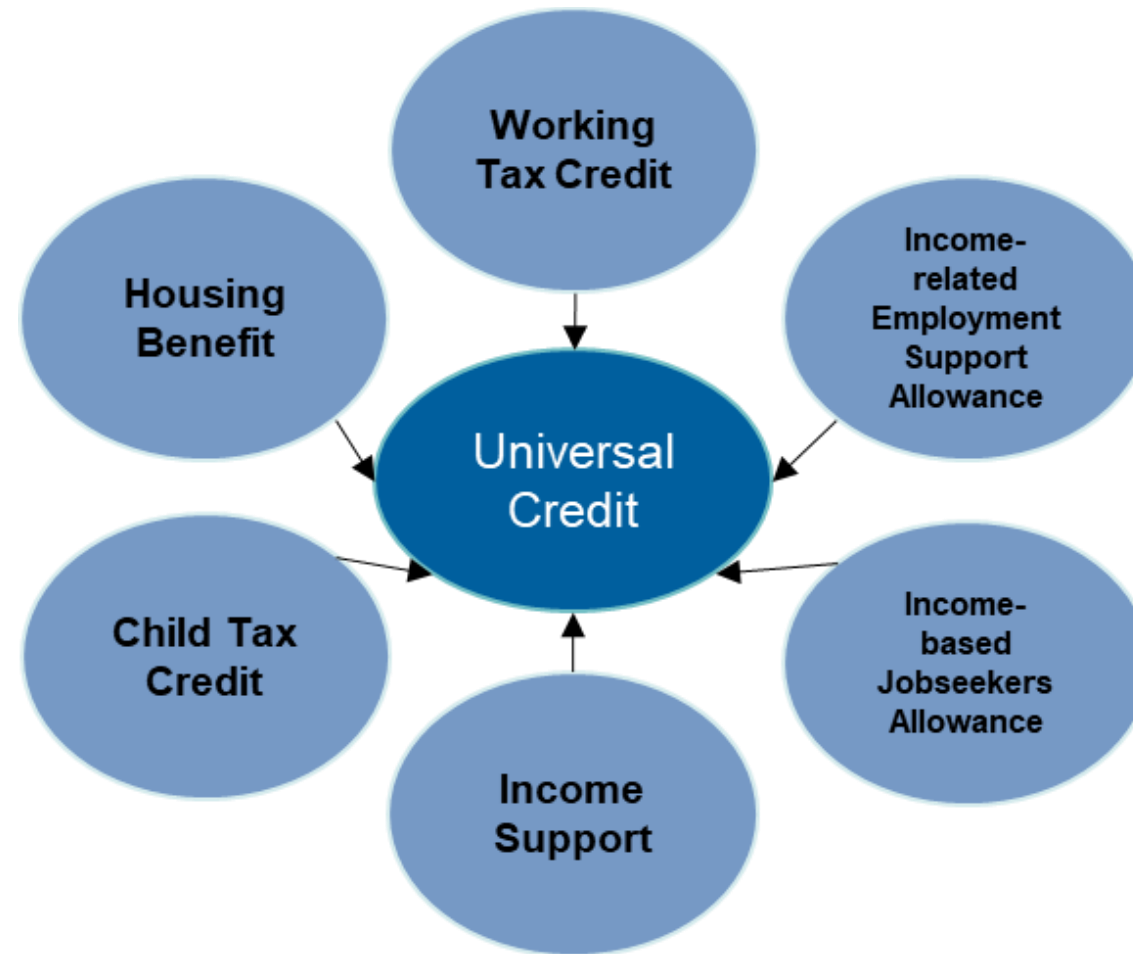
Department
for Work &
Pensions

Universal Credit – Treatment of Earnings

The content in this presentation is correct as of 08/05/2025. Information contained within may be subject to change.

Teddy Muia, District Operations Leader for West London

Universal Credit – An Overview



Eligibility

You may be able to get Universal Credit if you are on a low income or need help with your living costs. You could be working (including self-employed or part time) or be out of work.

To claim you must:

- live in the UK
- be aged 18 or over (there are some exceptions if you're 16 to 17)
- be under State Pension age
- have £16,000 or less in money, savings and investments

[Universal Credit: Eligibility - GOV.UK](#)

How to Claim

[Universal Credit: How to claim - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

If you live with your partner, you will both need to create accounts. You'll link them together when you claim. You cannot claim by yourself.

If you cannot claim online, you can claim by phone through the [Universal Credit helpline](#).

If someone may struggle in making a claim, they can get support from [Citizens Advice's 'Help to Claim'](#) service.

Entitlement

The Universal Credit payment is made up of a Standard Allowance and any additional amounts, such as:

- Housing element
- Child element
- Disabled child element
- Carer's element
- Childcare costs
- Limited capability for work and work-related activity (LCWRA) element

[Benefits calculators - GOV.UK](#)

JSA / ESA vs Universal Credit

Jobseekers Allowance / Employment and Support Allowance	Universal Credit
Subject to a 16-hour work rule	Working hours do not affect entitlement and payments are calculated based on earnings

Earnings & Payments

You may still be able to receive Universal Credit payments when you start work or increase your earnings. You will continue to receive Universal Credit until your earnings are high enough, at which point your payments will stop. That amount will depend on your circumstances.

Your Universal Credit payments will adjust automatically if your earnings change. It doesn't matter how many hours you work, it's the actual earnings you receive that count.

If your circumstances mean that you don't have a Work Allowance, your Universal Credit payment will be reduced by 55p for every £1 you earn.

Earnings & Payments

Example:

Tom takes home (after tax & National Insurance) **£100** in an assessment period.

For every pound Tom has earnt we will deduct **0.55p**.

£100 (earnings) x **£0.55** (taper rate) = **£55**.

Tom's UC payment will be reduced by **£55**



Work Allowance

If you and/or your partner are in paid work you may be able to receive some earnings before your Universal Credit payment starts to be affected. This is called a ‘work allowance’.

The work allowance only applies to you if:

- you have responsibility for one or more children (or qualifying young persons), or
- you or your partner have limited capability for work (a health condition or disability)

If neither of these circumstances apply to you, your Universal Credit payments will be affected as soon as you start earning money from paid work.

Work Allowance

The work allowance rates are:

- **£411** per month if you get help with housing costs through Universal Credit, or you live in temporary accommodation arranged by your council because you're homeless
- **£684** per month if neither of these circumstances apply

[Universal Credit and earnings - GOV.UK](https://www.gov.uk/universal-credit/earnings)

Flexible Support Fund

The Flexible Support Fund (FSF) is a discretionary fund designed to remove financial barriers that may hinder starting employment and it does not need to be paid back.

Each application is taken on a case-by-case basis and there is no set amount that can be awarded as it depends on circumstances and need. Evidence will be needed to support the application and to verify the funds have been used for their intended purpose.

It is administered by Jobcentres and can be used for the cost of travel to interviews, childcare, tools, clothing and uniforms to start work.

Questions & Answers

