

Universal Credit is a payment to help with your living costs. You may be able to get it if you're on a low income or out of work. Whether you can claim Universal Credit depends on where you live and your circumstances.

Standard allowance

YOUR CIRCUMSTANCES	MONTHLY STANDARD ALLOWANCE
Single and under 25	£251.77
Single and 25 or over	£317.82
In a couple and you're both under 25	£395.20 (for you both)
In a couple and either of you are 25 or over	£498.89 (for you both)

You may get more money on top of your standard allowance if you're eligible.

What type of work counts for Universal Credit

All work is taken into consideration for Universal Credit. If you're expected to look for and be available for work, then it needs to be identified whether you're 'gainfully self-employed'.

Gainful self-employment means that:

- Your main employment is self-employment
- You have self-employed earnings
- Your work is organised, developed, regular and in expectation of profit

You must provide evidence about your business and earnings to your work coach, for example your:

- Tax returns, accounts and any business plan
- Unique Taxpayer Reference (UTR), if you're registered for Self Assessment
- Customer and supplier lists, receipts and invoices
- Marketing materials

If you're gainfully self-employed you're exempt from job search responsibilities and can concentrate on growing your business and earnings.

If you're not gainfully self-employed, you'll need to look for other work. You still have to report any earnings from your self-employment. You can ask to be reassessed in the future.

How your Universal Credit payment is worked out

If you're gainfully self-employed, your Universal Credit payment may be calculated using an assumed level of earnings, called a Minimum Income Floor. It's based on what an employed person on minimum wage would expect to earn in similar circumstances. If you earn more than this, then your Universal Credit amount is based on your actual earnings. If you earn less, the Minimum Income Floor is used to work out how much you can get. You may need to look for additional work to top up your income.

Providing information about your earnings

Everyone claiming Universal Credit needs to report their self-employed earnings at the end of each monthly assessment period. This includes company directors, even those paying themselves by PAYE.

You'll need to report payments into and out of your business in the assessment period. This includes:

- Total amount your business received
- How much your business spent on different types of expenses, such as travel costs, stock, equipment and tools, clothing and office costs
- How much Tax and National Insurance you paid
- Any money you paid into a pension

If you're newly self-employed

If you're within 12 months of starting your business, you may be eligible for a start up period of up to 12 months. During your start up period your monthly earnings are used to work out your Universal Credit and the Minimum Income Floor doesn't apply. You'll also receive support from a work coach who's trained to work with the self-employed.

You'll need to attend quarterly appointments with your Work Coach, providing evidence to show that you're still gainfully self-employed and actively taking steps to build your business.

You're only entitled to one start up period, unless it has been more than 5 years since your previous one, and you've started a completely different type of self-employment.

Reporting changes in your circumstances

You'll need to report any change in circumstances, for example if you:

- Close your business
- Start a different kind of business
- Take a permanent job
- Are no longer able to work

Depending on the change, your gainful self-employment may need to be reassessed.

Household income is used to calculate the amount of Universal Credit you receive, so your partner's earnings may affect your payment.

If your partner is also self-employed, you would each have your own MIF and these would be combined to calculate your household award.

How to claim

- You need to apply for Universal Credit online.
- You have to apply as a couple if you and your partner live together. You don't need to be married.
- After you apply, you must contact your local Jobcentre Plus within 7 days to make an appointment with a work coach.
- You won't get Universal Credit if you don't attend the appointment.

What you need to apply

You'll need:

- Your bank, building society or credit union account details
- An email address
- Your national insurance number
- Information about your housing, for example how much rent you pay
- Details of your income, for example payslips
- Details of savings and any investments, like shares or a property that you rent out
- Details of how much you pay for childcare if you're applying for help with childcare costs

If you don't provide the right information when you apply it might affect when you get paid or how much you get.

You also have to verify your identity online. You'll need some proof of identity for this, for example your:

- Driving licence
- Passport
- Debit or credit card