



# Universal Credit – Employer Presentation

Updated 9 January 2015



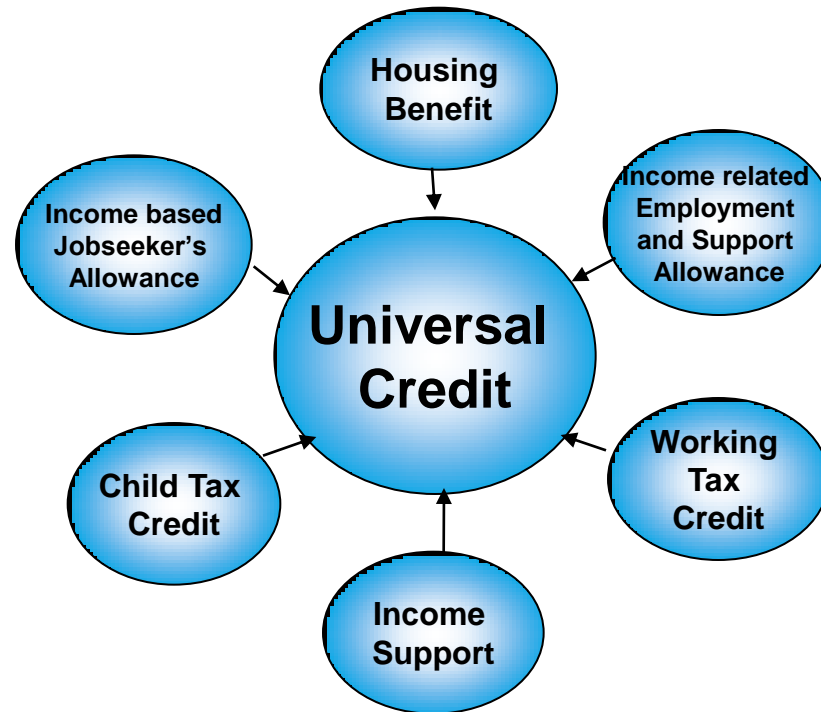
# Welfare Reform

The Welfare Reform Act aims to introduce a simpler, fairer benefits system  
Universal Credit is at the heart of these reforms.

## Universal Credit

aims to **simplify the benefits system** and helps to ensure  
**people are better off in work** than on benefits  
while **providing support** for those who need it

# Universal Credit



- Will eventually replace six main working age benefits with one simple payment
- Is designed to make work pay
- Is paid monthly
- Is for people **in work** and **out of work**

## How Universal Credit is rolling out to eligible claimants

- Universal Credit rollout began on 29 April 2013 in Ashton-under-Lyne in Greater Manchester
- From 30 June 2014, we began taking new claims for Universal Credit from couples
- From 24 November 2014, we began to expand Universal Credit to families
- Universal Credit will be rolled out to all jobcentres and local authorities across the country from early 2015
- This will ensure Universal Credit is established across Great Britain with new claims to legacy benefits closed from 2016 – with migration to follow thereafter

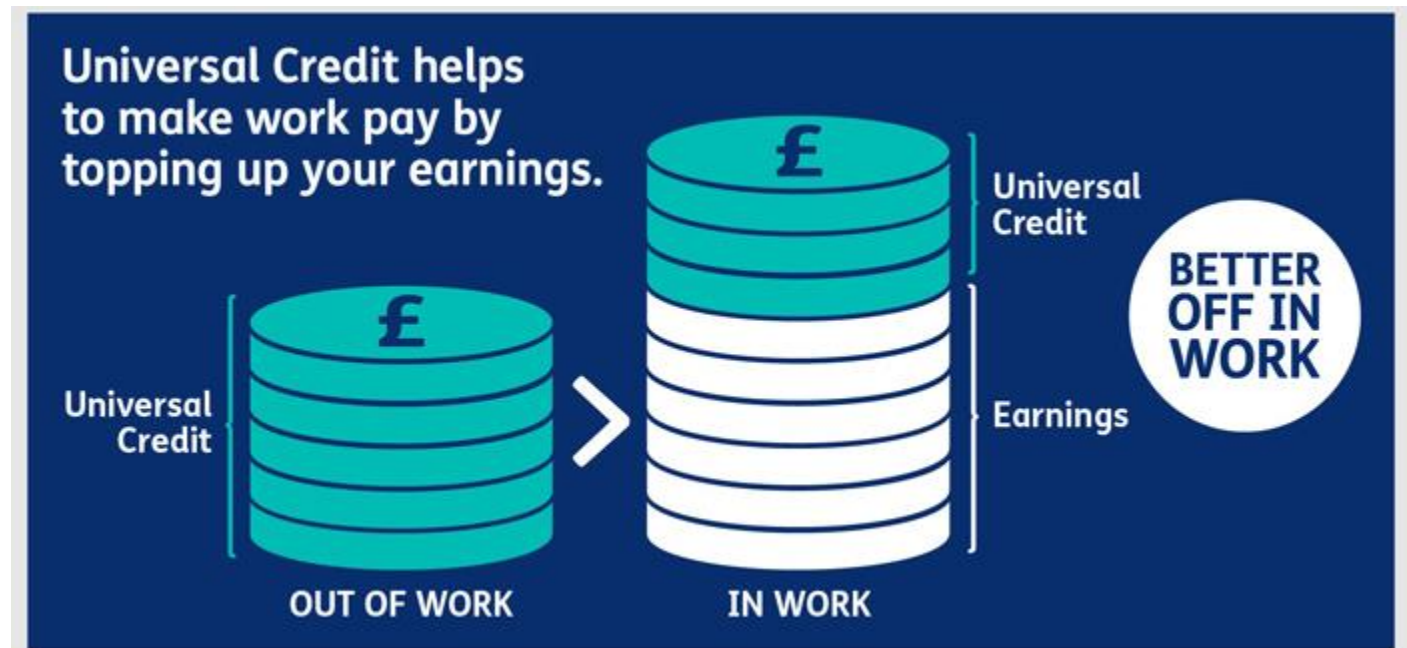
# Universal Credit benefits employers

- **Makes work pay** – allowing people to keep more of their money as they increase their hours of work
- **Supports a more flexible labour market** – ends the 16 hour rule allowing people to adapt their hours of work more easily to suit employer needs and helps more people to enter the labour market
- **Helps people increase their hours and earnings** – an opportunity and a challenge as we look to build sustained employment and financial independence
- **Uses PAYE in real time information (RTI)** – a revolutionary change in the way earnings are handled by HMRC, which reduces the burden of reporting for employers. The new system provides DWP with the information to adjust the amount of Universal Credit payment any employed claimant receives.

# Making Work pay

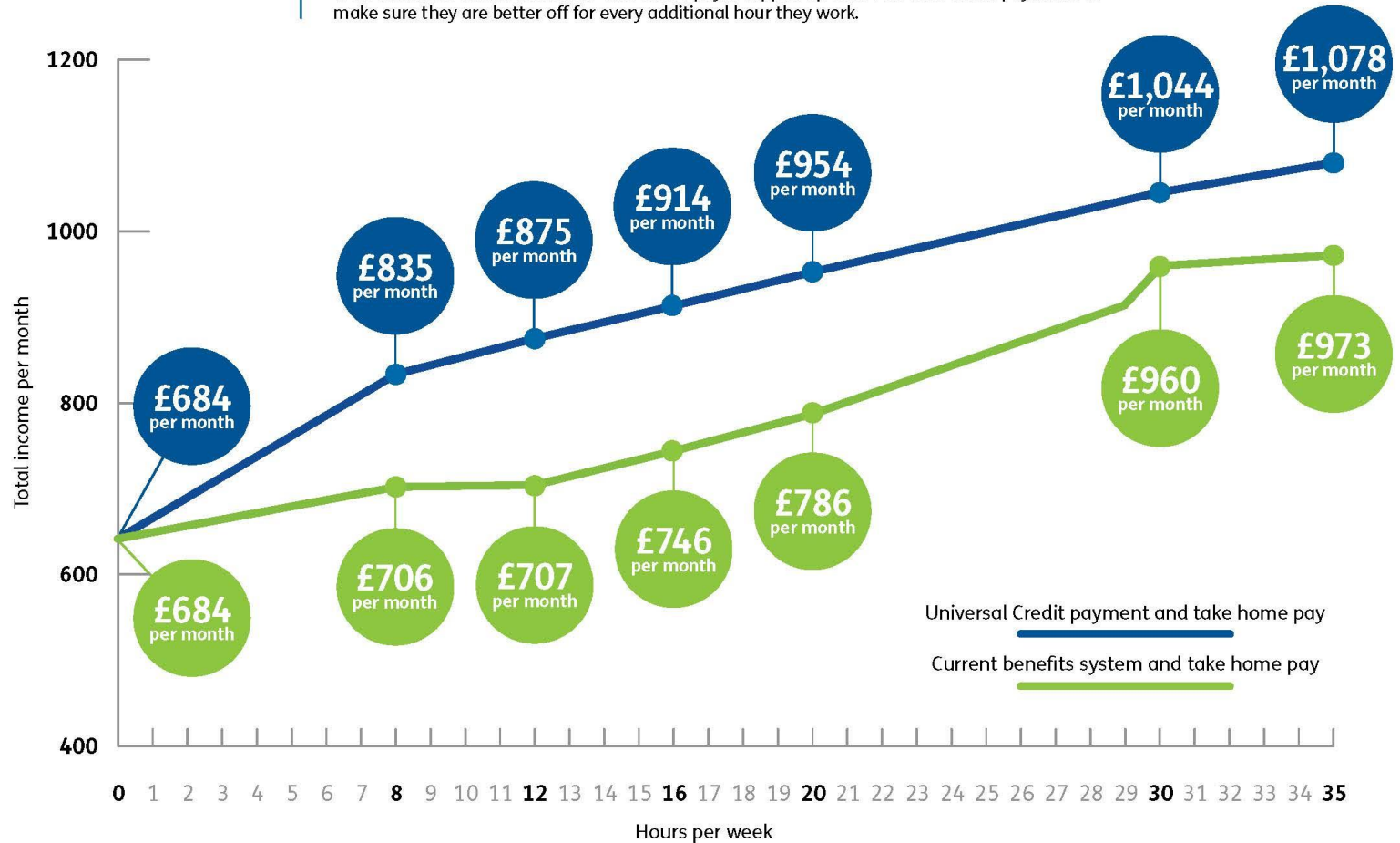
Universal Credit helps to ensure people are better off in work than on benefits by:

- **Removing the limit** to the number of hours someone can work each week
- Reducing a claimant's Universal Credit payment **gradually** as their earnings increase, so they won't lose all their benefits at once if they're on a low income.



## Making work pay | North West rent figures

This example shows how a **single person aged 25 or over**, earning the National Minimum Wage, with rent of £85 a week (£369 a month), is better off in work with Universal Credit than they are under the current system. With **Universal Credit** claimants' take home pay is topped up with Universal Credit payments to make sure they are better off for every additional hour they work.



**Total take home pay on Universal Credit and current benefits for a single person over 25**