



Simple guide to the benefit system

Learn about support available from the current benefit system
and Universal Credit for working age people

Contents

Introduction	3
1. COVID-19 Measures	4
2. Jobseekers Allowance (JSA)	7
3. Income Support (IS)	9
4. Employment and Support Allowance (ESA)	11
5. Housing Benefit	13
6. Working Tax Credit and Childcare Tax Credit	16
7. Child Tax Credit	18
8. Council Tax Reduction	20
9. Universal Credit (UC)	21
10. The Local Housing Allowance (LHA)	24
11. Other benefits and information	25
12. The Benefit Cap	26
13. Annex: Benefit Rates	28
About Policy in Practice and how we can help	34

Introduction

Policy in Practice was founded to support people towards independence by making the welfare system simple for people and organisations to understand.

The benefit system is complicated, with different government departments administering a range of different benefits, each of which have their own rules. Our software simplifies understanding of the benefits system. It models a comprehensive range of government policies from across four different departments, and is automatically updated on an ongoing basis. It is accurate across over one million real live cases.

Who should read this book?

This ebook is a guide for people who want a simple summary of each main working-age benefit and the related eligibility rules. The benefit system is undergoing a major change with the introduction of Universal Credit and other reforms that are impacting eligibility and entitlement.

If you're an advisor who needs to give a comprehensive assessment of eligibility and benefit guidance, please [contact us](#) to ask about licensing our [Benefit and Budgeting Calculator](#) for your organisation.

Good to know

The main benefits for working age people are:

1. Jobseeker's Allowance (JSA)
2. Income support
3. Employment and support allowance (ESA)
4. Housing Benefit
5. Child tax credit and Working tax credit
6. Council tax support
7. Universal Credit

The benefits listed 1-5 above are no longer available for new claims, with some exceptions. They have been replaced by Universal Credit. People currently in receipt of these benefits will moved to Universal Credit by 2024.



COVID-19 Measures

The Coronavirus (COVID- 19) pandemic has resulted in huge increases in unemployment and many more people coming into contact with the welfare benefits system, often for the first time. We have included details of the support on offer to those whose circumstances and income has been affected by COVID-19. This section details the government schemes and measures that have been put in place as a direct result of COVID-19.

Please be aware that this does not detract from the usual benefits that can be applied for. The details of the benefits described later in this document are still accurate.

The Coronavirus Job Retention Scheme (until March 2021)

The Coronavirus Job Retention Scheme (CJRS), also known as the furlough scheme, was extended by the government on 1st November 2020. An employee can be furloughed full time (as before) or work some days but not others. They will receive full pay for the days worked and the employer will receive furlough payments from the Government to assist with paying at least 80% of the wages (up to a limit of £2,500/month pro-rata) for the days they are furloughed. The employer can claim for the worker to be furloughed if they were employed, and on their payroll, on 30th October 2020. The employer will still have to pay National Insurance and pension contributions. The extension of the furlough scheme has been confirmed until **31st March 2021**. The amount the employer might be asked to contribute is due to be reviewed in January 2021.

People who were working, and on the employer's payroll on 23rd September 2020, but have subsequently been made redundant or stopped working, can be re-employed (by the same employer) and placed on the furlough scheme.

There are some rules about who is eligible for this scheme.

- The scheme can apply to any worker paid through PAYE with a bank account in the UK.
- If the employee is receipt of sick pay or maternity pay, their rights to these benefits remain the same.
- If there is a set salary in place the 80% is based on the salary
- If someone's earnings vary (e.g. it is based on hours worked), then the grant will be based on 80% of the earnings for the same month in 2019, or their average earnings in 2019/20.
- If someone has started a new job since April 2020, and their pay varies, the grant will be based on 80% of their average earnings from the start date of their employment or 6 April 2020 (whichever is later) and the day before the furlough period begins.
- In calculating someone's salary, the employer can include additional regular payments that they are obliged to pay (e.g. that are in the employment contract). This includes wages, past overtime, fees and compulsory commission payments. However, discretionary bonus (including tips) and commission payments and non-cash payments are excluded.

Self-Employed Income Support Scheme

Self-employed people may qualify for business support through the Self-Employed Income Support Scheme. Support will be provided as a taxable grant. This will be based on their last 3 years' profit (or less if their self-employment is less than 3 years).

For those who qualify, a second payment of three months' grant will be paid in August 2020. This will be based on 70% of trading profits, up to a maximum of £2,190/month. Applications for the second grant closed at midnight on Monday 19th October 2020.

There will be a third grant extension to cover the period 1st November 2020 to 31st January 2021. This will provide recipients with 80% of average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits, and capped at £7,500 in total.

There has been confirmation of a fourth grant which will cover the period 1st February 2021 to 30 April 2021 but the amounts are yet to be determined.

If they are not eligible for this grant, they will still be able access other government support, including benefits and business support grants.

Test and Trace Support Payments

People that have been told to self-isolate on or after 28 September 2020 could be eligible for a £500 Test and Trace Support Payment. The payments is available to those who live in England and meet **all** the following criteria:

- They have been told to stay at home and self-isolate by NHS Test and Trace, either because they have tested positive for coronavirus or have recently been in close contact with someone who has tested positive
- They are employed or self-employed
- They are unable to work from home and will lose income as a result of self-isolating
- They are currently receiving at least one of the following: Universal Credit, Working Tax Credit, income-based Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit, Pension Credit.

If a claimant fulfils all the above criteria, **apart from being in receipt of any benefits**, and will face financial hardship as a result of not being able to work while they are self-isolating, they could still be eligible for a **£500 discretionary payment**.

The Test and Trace Support Payment and discretionary payment, will be paid on top of any benefits and Statutory Sick Pay that someone might currently receive.

Statutory Sick Pay (SSP)

Statutory Sick Pay (SSP) can be awarded to those who are self isolating because:

- The person or someone they live with has coronavirus symptoms or has tested positive for coronavirus
- The person has been notified by the NHS or public health authorities that they've been in contact with someone with coronavirus
- Someone in their 'support bubble' (or your 'extended household' if they live in Scotland or Wales) has coronavirus symptoms or has tested positive for coronavirus
- They've been advised by a doctor or healthcare professional to self-isolate before going into hospital for surgery

SSP can also be awarded if **both** of the following apply:

- The person lives or works in an area with local restrictions in place, including advice to 'shield'
- They've been advised to shield because they are at very high risk of severe illness from coronavirus

SSP will not be awarded to those who are self-isolating after entering or returning to the UK and do not need to self-isolate for any other reason.

New-style (contribution based) Employment and Support Allowance (ESA)

For people who are too ill to work or are self-isolating and do not qualify for Sick Pay (for example because they are self-employed) they may be eligible for new-style Employment & Support Allowance (ESA). In order to qualify, people will need to have paid sufficient National Insurance (N.I.) contributions in the financial years 6 April 2018 to 5 April 2019 and 6 April 2019 to 5 April 2020. During this period they will have needed to have worked and paid Class 1 or Class 2 contributions in one of the years AND have paid, or been credited, 50 weeks worth of contributions over the two years.

New-style (contribution based) Jobseekers Allowance (JSA)

For people who are not ill and are not self-isolating but have been made redundant due to COVID-19, they may be eligible for new-style Jobseekers Allowance (JSA). They will need to have paid sufficient National Insurance (N.I.) contributions in the preceding two years.

In order to qualify, the person will need to have paid sufficient National Insurance (N.I.) contributions in the financial years 6 April 2018 to 5 April 2019 and 6 April 2019 to 5 April 2020. During this period they will have needed to have worked and paid Class 1 or Class 2 contributions in one of the years AND have paid, or been credited, 50 weeks worth of contributions over the two years.

Jobseeker's Allowance

Overview

Jobseekers Allowance (JSA) is a benefit paid by the Department for Work and Pensions to people who are not in full time work and who are expected to seek work. JSA can be divided into two types; contribution-based JSA and income-based JSA.

Income-based JSA has now been replaced by Universal Credit and is no longer available as a new claim. The exception is where those who receive certain disability benefits and qualify for the Severe Disability Premium (SDP) move from other benefits. The Severe Disability Premium is an additional amount payable to those with disability and who have nobody to care for them. Those currently in receipt of income-based JSA will still receive the benefit until they have a change of circumstance that causes a move to Universal Credit. All income-based JSA claims will eventually be moved to Universal Credit at some point after July 2019.

Contribution-based JSA will still be available under Universal Credit and is termed 'new-style JSA'.

Eligibility

Income-based JSA is no longer available as a new claim. Except in certain circumstances for those who receive the Severe Disability Premium (SDP) and are moving from other benefits (e.g. ESA).

Those in receipt of SDP moving from other means-tested benefits may be able to claim income-based JSA based on their household's income and savings. Any capital (excluding the house) needs to be below £16,000 and, in general, the person must be over 18.

Contribution-based JSA (or new-style JSA) is a standard amount that can be claimed by those who have made sufficient National Insurance contributions in the previous 2 years.

For both types of JSA the person, or their partner, must work less than 16 hours a week and be seeking work. They must have made a 'claimant commitment' with the DWP.

In general, JSA cannot be claimed by people without a right to reside in the UK, migrants or full-time students.

Payment and claims

The qualifying period for JSA usually starts on the day the person first contacts the Jobcentre or makes an online Universal Credit claim, and is then usually not paid for the first seven days of a claim. JSA is normally paid fortnightly in arrears into the person's bank account.

How JSA is calculated

Contribution-based JSA is set at a fixed rate with different amounts that apply to those aged above and below 25. Income from part time work is deducted from this fixed rate. The remainder is paid as JSA. Income-based JSA tops up income to a level set by the government for the household circumstances.

The level set by the government consists of an amount for the claimant(s), an additional amount for special circumstances (such as disability or caring responsibilities). Support for children is met through Child Tax Credit. Households with a mortgage may be able to take out a low-interest loan to assist with mortgage interest repayments.

Any income, together with a notional income derived from any capital over £6,000 but below £16,000 is then deducted from this and the remainder is paid as income-based JSA.

Jobseeker's Allowance

JSA and other benefits

Income-based JSA has been replaced by Universal Credit as a new claim (except for certain people with severe disability). Income-based JSA cannot be claimed at the same time as Universal Credit, Income Support, income-related ESA or Pension Credit. However recipients of JSA can also claim national insurance credits, Child Tax Credit, Child Benefit, some disability benefits and Council Tax Reduction. Recipients of contribution-based JSA can also receive Universal Credit and may qualify for some Council Tax Reduction.

For those who remain in receipt of income-based JSA, eligibility provides assistance with certain health and education costs, such as free prescriptions and free school meals. An income-based JSA claimant who is renting their home is entitled to maximum Housing Benefit but they must make a separate claim with the local authority.

An owner occupier who claims income-based JSA may be eligible for help with mortgage payments after 39 weeks. This is provided as a low-interest loan by the DWP and is paid directly to the mortgage company. It must be paid back when the house is sold. If the person receives contributory-JSA and Universal Credit they are not eligible for mortgage assistance if they undertake any work at all.

Most people of contribution-based JSA with low household income and capital can also get Universal Credit. People in supported or temporary accommodation may also be able to claim Housing Benefit. The benefit cap may apply to those claiming JSA and either Universal Credit or Housing Benefit.

Other information

Contribution-based JSA is claimed by an individual, and is paid for a maximum of six months. It's paid regardless of capital and savings. Entitlement is based upon sufficient national insurance contributions in the past two years.

Most people currently receiving income-based JSA will move to Universal Credit if they have a significant change of circumstances.

Planned future changes

- In general, there will be no new claims for income-based JSA.
- Existing income-based JSA claimants will be transferred to Universal Credit following a significant change of circumstances or under "managed migration" between 2019 and 2023.
- From July 2020, Income-based JSA will be paid for an additional two weeks during the transition to Universal Credit.
- Because contribution-based JSA is not a means-tested benefit it will be unaffected by the introduction of Universal Credit.
- JSA rates have been frozen for four years from 2016.

Income Support

Overview

Income Support (IS) is paid by the DWP to people of working-age who aren't in full-time work and aren't expected to seek work. Income Support provides a top up to existing income in order to bring household income up to a set amount determined by the household circumstances.

Income Support is now no longer available as a new claim. Although it may be available for those who receive certain disability benefits and qualify for the Severe Disability Premium (SDP) who move from other means-tested benefits. The Severe Disability Premium is an additional amount payable to those with disability and who have nobody to care for them.

Those currently receiving Income Support will stay in receipt of the benefit for the time being until they have a change of circumstance that causes a move to Universal Credit. All Income Support claims will be moved to Universal Credit at some point after July 2019.

Eligibility

Income Support is not now available as a new claim. Although people in receipt of the Severe Disability Premium (SDP) may transfer to Income Support.

Those in receipt of SDP transferring from other benefits may be able to claim Income Support based on their household's income and savings. Any capital (excluding the house) needs to be below £16,000 and, in general, the person must be over 16.

Income Support can be claimed by an individual, or by a couple as long as neither partner works full time. Lone parents with children over 3 are expected to undergo preparation for work with the DWP.

The main eligible groups are:

- Carers
- People on parental leave
- Lone parents with a child under 5 years
- Women who are pregnant or have had a baby within 15 weeks, although they may be eligible for ESA instead
- People who can't work due to sickness or disability, although most disabled people can receive other disability benefits instead

Payment and claims

The qualifying period usually starts on the day the person first contacts the Jobcentre and it is normally paid fortnightly in arrears into the person's bank account.

How income support is calculated

Income Support is designed to top up income to a level determined by the household circumstances.

This consists of an amount for the claimant(s), an additional amount for special circumstances (such as disability or caring responsibilities) plus an amount towards housing costs. Support for children is met through Child Tax Credit. Households with a mortgage may be able to take out a low-interest loan to assist with mortgage interest repayments.

Any income, together with a notional income derived from any capital over £6,000, but below £16,000, is then deducted and the remainder paid as Income Support.

Income Support

IS and other benefits

Income Support has been replaced by Universal Credit as a new claim (except for certain people with severe disability). Claims cannot be made for Income Support if the person or their partner is eligible for certain other benefits such as Universal Credit, Jobseekers Allowance, Pension Credit or income-based ESA. These should be claimed instead of Income Support.

Income Support claimants who rent their homes are entitled to maximum Housing Benefit but they need to make a separate claim with the local authority. An owner occupier who claims Income Support may be entitled to assistance with mortgage payments after 39 weeks. This is provided as a low-interest loan by the DWP and is paid directly to the mortgage company. It must be paid back when the house is sold.

Recipients of Income Support may also receive national insurance credits, Working Tax Credit (if a partner works between 16 to 24 hours per week), Child Tax Credit, Child Benefit, some disability benefits and Council Tax Reduction.

They are also eligible for help with certain health and education costs.

People of Income Support and Housing Benefit are affected by the benefit cap.

Future planned changes

- There will be no new claims for Income Support except for those with severe disability who qualify for the Severe Disability Premium transferring from other means-tested benefits.
- Existing claimants will be transferred to Universal Credit following a significant change of circumstances or under “managed migration” between 2019 and 2023.
- From July 2020, Income Support will be paid for an additional two weeks during the transition to Universal Credit.
- Since April 2018 mortgage interest support is in the form of a loan and will be repayable once the person sells the property.
- Income Support rates has been frozen for four years from April 2016.

Employment and Support Allowance

Overview

Employment and Support Allowance (ESA) is a benefit paid by the DWP to those of working age who are not able to work full-time due to disability or illness, and are not receiving Statutory Sick Pay from their employer.

Income-based ESA has now been replaced by Universal Credit and is no longer available as a new claim except for certain households in receipt of the Severe Disability Premium transferring from other means-tested benefits. Those who already receive income-based ESA will continue to do so until they have a significant change of circumstances. After which, they will move to Universal Credit.

Contribution-based ESA will continue alongside Universal Credit. It is now called 'new-style ESA'. All ESA claimants must undergo a points based work capability assessment (WCA) to determine their capacity for work.

People assessed as too ill or disabled to undertake any work-related activity are placed in the 'Support Group'. This is called the "Limited Capability for Work and Work Related Activity Group (LCWRA)" under Universal Credit. These people do not have to take part in work-related activity as a condition of receiving benefit.

Those deemed capable of some level of work are placed in the 'work-related activity' group (WRAG). This is called the "Limited Capability for Work Group (LCW) under Universal Credit. These people are expected to undergo preparation for a return to work.

Eligibility

Income-based ESA is now not available as a new claim. There may be exceptions for those who receive the Severe Disability Premium (SDP) moving from other means-tested benefits. This is an additional amount payable to those with disability and who have nobody to care for them.

Those in receipt of SDP may be able to claim income-based ESA based on their household's income and savings. Any capital (excluding the house) needs to be below £16,000 and, in general, the person must be over 16 and have limited capability for work. In general people who are subject to immigration control or full-time students cannot claim.

Contribution-based ESA (or new-style ESA) is a standard amount that can be claimed by those who have made sufficient National Insurance contributions in the previous 2 years.

Claimants are permitted to work as long as earnings are under £125.50 per week and they work less than 16 hours per week.

Claimants placed in the work related activity group (or LCW) who are in receipt of Housing Benefit or Universal Credit are affected by the benefit cap.

Payment and claims

The qualifying period for ESA usually starts on the day the person first contacts the Jobcentre and is then usually not paid for the first seven days of a claim. ESA is normally paid fortnightly in arrears into the person's bank account.

Contributory ESA ends after 365 days (excluding days when the person received the support component). After this period, the person may still receive Universal Credit depending on their income, capital and household circumstances.

How ESA is calculated

Contribution-based ESA is paid at a fixed basic rate. A lower rate applies to people under 25 years old. After 13 weeks a person may receive the higher 'support component' if they're deemed incapable of any work related activity.

Income-related ESA tops-up income to a level determined by the household circumstances. This consists of an amount for the person(s), an additional amount for special circumstances such as disability or caring responsibilities plus an amount towards housing costs. Support for children is met through Child Tax Credit. Households with a mortgage may be able to take out a low-interest loan to assist with mortgage interest repayments.

After the 13 weeks assessment period an extra amount is added if someone is in the support group. Any income, together with a notional income derived from any capital over £6,000 but below £16,000, is then deducted and the remainder paid as ESA.

ESA and other benefits

Income-based ESA has been replaced by Universal Credit as a new claim (except for certain people with severe disability). Income-based ESA cannot be claimed at the same time as Universal Credit, Statutory Sick Pay, Income Support, JSA or Pension Credit. However recipients of ESA can also claim national insurance credits, Child Tax Credit, Child Benefit, some disability benefits and Council Tax Reduction. Recipients of contribution-based ESA can also receive Universal Credit or be part of a joint JSA claim, and may qualify for some Council Tax Reduction.

ESA claimants renting their home may get assistance through Housing Benefit. An owner occupier may be eligible for help with mortgage payments after 39 weeks. This is provided as a low-interest loan by the DWP and is paid directly to the mortgage company. It must be paid back when the house is sold.

If the person receives contribution-based ESA and Universal Credit they are not eligible for mortgage assistance if they undertake any work at all. Those ESA claimants assessed as eligible for the 'support' component (or LCWRA under Universal Credit) may also be eligible for a more generous level of Universal Credit or Housing Benefit.

People in receipt of ESA can claim national insurance credits and may also be eligible for help with some health and education costs. Contribution-based ESA is taxable and counts as income for most other means-tested benefits.

Future planned changes

- There will be no new claims for income-based ESA except for those with severe disability who qualify for the Severe Disability Premium.
- Existing income-based ESA people will be transferred to Universal Credit following a significant change of circumstances or under "managed migration" between 2019 and 2023.
- From July 2020, Income-based ESA will be paid for an additional two weeks during the transition to Universal Credit.
- Because contribution-based ESA is not a means-tested benefit it will be unaffected by the introduction of Universal Credit.
- ESA rates have been frozen for four years from 2016.

Housing Benefit

Overview

Housing Benefit is a benefit administered by the local authority to assist those on low incomes with rental costs.

Housing Benefit may be claimed by those in full-time work and those not working so long as they are renting the property in which they live. Those who have purchased homes through shared ownership schemes are eligible for Housing Benefit on the rental part of their payments.

The property may be rented from the local authority, a Housing Association or a private landlord.

Maximum Housing Benefit may be less than the full amount of rent due to limits set by the Government for each local authority and the bedroom tax.

Housing Benefit has now been replaced by Universal Credit for most working-age citizens. Working-age citizens can now only claim Housing Benefit if they are in receipt of the Severe Disability Premium, or are tenants of supported or temporary accommodation.

Eligibility

Housing Benefit is now only available as a new claim for those who receive the Severe Disability Premium (SDP) or tenants of supported or temporary accommodation.

Any capital must be below £16,000 and the person must be liable for the rent on the property. In general, those subject to immigration control and full-time students cannot claim Housing Benefit.

Payment and claims

Housing Benefit claims should be made with the local authority and the benefit period usually starts from the Monday following the date of claim.

Tenants who rent from the local authority or a Housing Association will receive their benefit as a reduction in their weekly rent. Tenants renting from a private landlord will receive payment by direct debit fortnightly in arrears. In some circumstances rent payments for private tenants can be made directly to the landlord.

Housing benefits and other benefits

Recipients of income-based Jobseekers Allowance, income-related ESA and Income Support who rent their home automatically receive maximum Housing Benefit.

The majority of non means-tested benefits are taken into account in calculating household income for Housing Benefit. Any income from Disability Living Allowance (DLA), Personal Independence Payments (PIP) or Attendance Allowance (AA) are ignored.

Some Housing Benefit people in receipt of out-of-work benefits will be subject to the benefit cap. The benefit cap for those in Greater London is £23,000 a year if they are a couple or lone parent and £15,410 if they are single. The benefit cap for other areas of the country is £20,000 for lone parents and couples and £13,400 for single people.

Under the current system, only Housing Benefit can be reduced because of the benefit cap, to a minimum of 50p. This minimum payment is important as it entitles the people to apply for assistance with rent through Discretionary Housing Payments (DHPs).

Housing Benefit

Other information

Local Authorities can make additional discretionary payments to help with rental costs in cases of severe hardship.

These Discretionary Housing Payments (DHPs) are usually made where people receive a reduced amount due to the maximum Housing Benefit allowed for the area, the bedroom tax or the benefit cap. They can be weekly top-ups or one-off payments towards housing costs, such as removal costs to a smaller property. A person must be in receipt of Housing Benefit in order to be eligible for further support through Discretionary Housing Payments.

People living in supported housing or temporary accommodation will continue to receive Housing Benefit to cover their rent. They will still migrate to Universal Credit and receive the personal element of Universal Credit alongside their Housing Benefit.

Future planned changes

- There will be no new claims for Housing Benefit for working-age people except for those in receipt of certain disability benefits who qualify for the Severe Disability Premium and tenants of supported or temporary housing.
- Pension age people will eventually have housing costs included within their Pension Credit. The date for this has not yet been decided.
- Existing working-age Housing Benefit people will be transferred to Universal Credit following a significant change of circumstances or under “managed migration” between 2019 and 2023.
- From April 2016, Housing Benefit applicable amounts have been frozen for four years, together with LHA rates.
- Since April 2018, Housing Benefit claimants transferring to Universal Credit will receive 2 weeks additional Housing Benefit after the end of their Housing Benefit claim. This will be paid two weeks from the start date of Universal Credit.

How housing benefit is calculated

Step 1: Calculate maximum housing benefit

- Maximum Housing Benefit is based on the weekly rent, excluding amounts for services or expected contributions from adult relatives and friends (non-dependants) who live in the household.
- A lower rent may be used to calculate Housing Benefit if the actual rent is higher than the limit for the area. These limits are set at the 30th percentile of rents for the Broad Rental Market Area.
- A lower rent may also be used if the family is deemed to be occupying too large a property.
- Recipients of Income Support, income-based JSA, income-related ESA and some other benefits automatically receive maximum Housing Benefit.

Housing Benefit

Step 2: Calculate income

- Calculate income for people who don't automatically receive maximum Housing Benefit, such as those not in receipt of Income Support or income-based JSA or income-related ESA.
- This is generally the total income of the household net of tax and National Insurance and includes most other benefits, Working Tax Credit, maintenance from a partner and a notional income derived from any capital over £6,000.
- If the person or their partner is working an earnings disregard is generally applied to the earned income. This is a fixed rate amount (usually between £5 and £25 per week) and depends on hours worked and household circumstances.

Step 3: Compare income to the applicable amount

- The household may be eligible for premiums for children, disability or carers, which are added to calculate the 'applicable amount'.
- If the income is below the applicable amount, maximum Housing Benefit is awarded. If it is above the applicable amount, maximum Housing Benefit is reduced by 65% of the excess.

Example of how housing benefit is calculated

A couple have 2 children under 10. Their net income is £500 per week and they're renting a 3 bedroom house for £300 per week.

Step 1	Calculate maximum Housing Benefit The rent is £300 per week but, for housing benefit purposes, they only need 2 bedrooms. The maximum housing benefit for a 2 bed house in their area is £250 per week. This is therefore the maximum housing benefit amount they can receive.
Step 2	Calculate income Compare their income to the amount they need to live on, known as the Applicable Amount. Here, the Applicable Amount is £248.65. The family's income is £500 per week which is £251.35 over.
Step 3	Calculate the family's Housing Benefit Maximum housing benefit is reduced by 65% of the income in excess of the Applicable Amount. The maximum benefit of £250 is therefore reduced by 65% of £251.35, ie £163.38. The family can get £86.62 housing benefit per week.

Working Tax Credit and Childcare Tax Credit

Overview

Working Tax Credit (WTC) is a benefit paid by HMRC to working people on low incomes. Childcare Tax Credit is a part of WTC, and assists working people on low incomes with the cost of childcare.

Working Tax Credit is an in-work benefit designed to top-up the income of those in remunerative work, or in receipt of maternity pay or sick pay, who receive a low income.

Childcare Tax Credit is part of Working Tax Credit and cannot be claimed separately. It is intended to help those in work and on low incomes with childcare costs.

Working Tax Credit has now been replaced by Universal Credit, it is no longer possible to make a new claim for Working Tax Credit. Those who currently receive Working Tax Credit will continue to do so until they have a significant change of circumstances. After which, they will move to Universal Credit. All tax credit claims will eventually move to Universal Credit from July 2019 onwards.

Eligibility

Working Tax Credits have now been replaced by Universal Credit for those of working age and pension age.

Eligibility rules are now only relevant to those currently in receipt of Working Tax Credit. In general, someone must be over 25 and work more than 30 hours per week or be temporarily absent from work due to sickness or pregnancy. They can be an employee or work on a self-employed basis.

The age limit and the hours that a person must work are reduced in certain circumstances (such as lone parents or where a member of the household is disabled).

Couples must make a joint claim.

Any person subject to immigration control is not eligible for tax credits.

In order to claim Childcare Tax Credit as part of Working Tax Credit the person must be responsible for a child for whom childcare costs are paid.

Payment and claims

Claims are made with HMRC. In general, claims start from the date the claim form is received at HMRC. Payment is usually made into the person's bank account by direct debit either weekly or every four weeks.

Other benefits

Households receiving Universal Credit cannot claim tax credits.

Working Tax Credit counts as income for the purposes of calculating entitlement to Income Support, income-based Jobseekers Allowance, income-related ESA and Housing Benefit.

Child Tax Credit can be paid in addition to Working Tax Credit.

Those in receipt of Working Tax Credit may also get assistance with certain health and education costs, e.g. free prescriptions and free school meals. Households that receive Working Tax Credit are exempt from the benefit cap.

Working Tax Credit and Childcare Tax Credit

How working tax credit and childcare tax credit are calculated

Tax Credits are calculated as an annual amount and adjusted pro rata for the number of days for which the person is eligible.

Step 1: Calculate maximum working tax credit

- This is calculated by adding together amounts for specific 'elements' that relate to the family circumstances.
- The childcare element is the only element that is not a fixed rate.
- It is calculated as 70% of childcare costs up to a set limit for one, or two or more, children.

Step 2: Calculate household income

- This includes gross earnings (minus any pension contributions), pension income, all taxable benefits (such as contribution-based JSA and contribution-based ESA) and other taxable income (e.g. from tenants or investments).
- Most means-tested benefits are non-taxable and so are ignored.
- £300pa is disregarded from any income from pensions and investments.

Step 3: Compare household income

- Income is compared to a fixed-rate 'threshold'. This is currently £6,420 a year.
- If income is below the threshold, the person is eligible for the maximum Working Tax Credit (including Childcare Tax Credit where relevant).
- If income is higher than the threshold maximum Working Tax Credit is reduced by 41% of the difference.
- The calculation is similar to the example shown for Child Tax Credit.

Future planned changes

There will be no new claims for tax credits, working age people will need to claim Universal Credit.

Existing claimants will be transferred to Universal Credit between 2019 and 2023. The date of transfer will depend on the area in which they live.

Child Tax Credit

Overview

Child Tax Credit (CTC) is a benefit paid by HMRC to families on low incomes to assist with the cost of raising a child.

Child Tax Credit can be claimed by those in work as well as those not working, so long as they have responsibility for a child.

Eligibility

Child Tax Credits have now been replaced by Universal Credit.

Those of pension age cannot claim Universal Credit but an amount equivalent to the Universal Credit child elements will be included in Pension Credit for new claims

The person must be resident in the UK and have responsibility for a child or children and not be eligible for Universal Credit. In general, a person subject to Immigration control is not eligible.

People must be over 16. There is no upper age limit.

Payment and claims

Claims are made with HMRC. In general, claims start from the date the claim form is received at HMRC.

Payment is usually paid into the person's bank account by direct debit either weekly or every four weeks.

How child tax credit is calculated

Child Tax Credit is calculated as an annual amount and is adjusted, pro rata, for the number of days the person is eligible. Claims end at the end of the tax year.

Maximum Child Tax Credit is calculated by adding together fixed amounts per child, an amount for the family and additional amounts for each disabled child. An amount per child is included for each child born before 1 April 2017. Children born after this date are only included if the total number of children is 2 or less. Claims for Child Tax Credit received after April 2017 will no longer include a family element.

Recipients of Income Support, income-based JSA, income-related ESA and some other benefits automatically receive maximum Child Tax Credit if they are eligible.

For people who do not automatically receive maximum Child Tax Credit, household income is compared to a fixed rate 'threshold'.

This threshold is £16,105 if the person is eligible for Child Tax Credit only or £6,420 if the person is also eligible for Working Tax Credit.

If income is below the relevant threshold, the person is eligible for full Child Tax Credit. If income is higher than the relevant threshold, maximum Child Tax Credit is reduced by 41% of the difference.

Child Tax Credit

Other benefits

Child Tax Credit has now been replaced by Universal Credit. People cannot claim Child Tax Credit if they are eligible for Universal Credit.

Child Tax Credit is ignored in the calculation of income for Income Support, income-related ESA and Income-based Jobseekers Allowance.

Child Tax Credit is taken into account as household income for Housing Benefit purposes.

Those in receipt of Child Tax Credit may also get assistance with certain health and education costs (e.g. free prescriptions and free school meals).

If the person also receives Housing Benefit then Child Tax Credit is one of the benefits taken into account in calculating the benefit cap.

Future planned changes

- There will be no new claims for Child Tax Credits except for those of pension-age or those with severe disability who qualify for the Severe Disability Premium.
- Existing tax credit claimants will be transferred to Universal Credit following a significant change of circumstances or under “managed migration” between 2019 and 2023.

Example of how child tax credit is calculated

A couple have 2 children. Their annual net income is £23,000

Step 1	Calculate the Child Tax Credit 2 x child element (£2,780 x 2) = £5,560. This is the maximum Child Tax Credit for this family. If the claim had been made before April 2017 there would be an addition of £545 family element.
Step 2	Compare income to the Threshold Amount The threshold amount is £16,105. The family's income of £23,000 exceeds the threshold amount by £6,895.
Step 3	Calculate the family's Child Tax Credit Maximum child tax credit is reduced by 41% of the income in excess of the Threshold Amount. In this case maximum child tax credit of £5,560 is therefore reduced by 41% of £6,895, ie £2,826.95. The family can get £2,733.05 child tax credit per annum.

Council Tax Reduction

Overview

Council Tax Reduction is a benefit administered by the local authority in order to help those on low incomes meet their Council Tax liability.

Each local authority sets its own rules for who should receive assistance and the level of support. The local authority will publish their scheme and the criteria they use for reducing Council Tax bills.

Eligibility

Those liable to pay Council Tax may apply for Council Tax Reduction. Eligibility criteria is set by each local authority.

Payment and claims

Claims should be made to the local authority. In general, reductions in Council Tax will be calculated from the Monday following receipt of a claim.

If a person is eligible for Council Tax Reduction they will receive a reduced council tax bill.

How council tax reduction is calculated

There are currently 326 different Council Tax Reduction schemes in the UK.

The majority of local authorities have set a minimum amount of Council Tax that everyone, regardless of income, must pay.

In 2016 the average minimum amount was 22%.

A few authorities provide a maximum reduction that covers the full charge.

Most local authorities compare income against an amount the household needs to live on to determine the level of Council Tax Reduction.

Council tax reduction and other benefits

Each local authority has their own rules about how additional benefits are treated.

Some local authorities ignore certain benefits whilst others take them all into account.

Future planned changes

- Reduction in income to local authorities from central government means that many local authorities are expected to make support less generous in the next few years.
- Council Tax Reduction is not affected by the introduction of Universal Credit but it is likely that many authorities will change their support schemes to align them with Universal Credit.

Universal Credit

Overview

Universal Credit is paid by the DWP and is intended to help people on low incomes whether they are in work or not. It will replace the following means-tested benefits and tax credits:

1. Income Support
2. Income-based Jobseekers Allowance
3. Income-related Employment and Support Allowance
4. Housing Benefit (except for those in supported or temporary accommodation)
5. Working Tax Credit
6. Child Tax Credit

Universal Credit is intended to offer a unified benefit to working age people on low incomes, whether in work or not, and includes those with limited work capability. For working-age people, most new claims must now be for Universal Credit. Those who receive disability benefits and qualify for the Severe Disability Premium are the exception.

People currently in receipt of means-tested benefits will migrate to Universal Credit by 2023. Households in temporary accommodation or supported housing will continue to receive Housing Benefit to cover their housing costs alongside the personal allowance of Universal Credit. Households in which a person receives the Severe Disability Premium as part of their benefit will not move over to Universal Credit until the start of managed migration.

Eligibility

In general, people must be over 18, below pension age, not in education and have signed a 'Claimant Commitment' with the DWP. Any savings or capital (excluding the home) must be less than £16,000 and, in most cases, those subject to immigration control cannot claim. A claim may be made by an individual or a couple if they both meet the eligibility criteria.

Under managed migration, households in receipt of tax credits who have more than £16,000 in savings can claim Universal Credit for 12 months.

Universal Credit and other benefits

People of Universal Credit cannot be in receipt of most other means-tested benefits such as income-based JSA, Income Support, Income-related ESA, Working Tax Credit and Child Tax Credit. People who live in temporary or supported housing are the only group who can claim Housing Benefit alongside Universal Credit.

Someone may still claim contributory benefits where eligibility is based on national insurance contributions such as contribution-based JSA or contribution-based ESA, as well as Child Benefit and certain other non means-tested benefits.

From July 2020, people will receive Income-based JSA, Income-based ESA and Income Support for an additional two weeks during their transition onto Universal Credit.

People may also still claim Council Tax Reduction. Universal Credit is not taxable but it is subject to the benefit cap. Some people may be eligible for national insurance credits for the period they receive Universal Credit. Eligibility for Universal Credit may also mean help with certain health and education costs can be given.

Since April 2018, Housing Benefit claimants moving to Universal Credit receive 2 weeks extra Housing Benefit after the end of their Housing Benefit claim. This is paid 2 weeks from the start date of UC. Also from this date, Support for Mortgage Interest (SMI) in Universal Credit became a loan, repayable when the property is sold.

Universal Credit

How universal credit is calculated

Household income, together with notional income derived from any capital over £6,000, is compared to the maximum Universal Credit amount for the household.

If income is below the maximum Universal Credit amount, the difference is awarded as Universal Credit.

Step 1: Calculate maximum universal credit

- This is calculated by adding together personal allowances and allowances for any children (up to a maximum of 2 children) plus additions for specific household circumstances such as disability, childcare or caring responsibilities.
- Allowances are also added for housing costs for both tenants (excluding those in supported or temporary accommodation) and owner occupiers.

Step 2: Calculate earned income

- If the person is responsible for a child, or is deemed to have incapacity for work, earnings up to a certain level are ignored. This is called the work allowance.
- The work allowance is set at a higher rate for those with housing costs included in Universal Credit.
- There is no work allowance for people without children and those who are deemed capable of work.
- 63% of earned income (or income above the work allowance if applicable) is taken into account as income for assessment purposes.

Step 3: Add any other income

- Add other income such as benefits, income from savings and maintenance in respect of an adult, to any earnings to be taken into account. Maintenance in respect of a child, Disability Living Allowance, Personal Independence Payments and Attendance Allowance can be ignored.

Step 4: Deduct total income

- Deduct total income arrived at in Step 3 from maximum Universal Credit.
- The difference is the amount of Universal Credit the person is awarded.

Students

Students studying full time are usually not able to claim for Universal Credit. However there are some expectations:

- Claimants aged 21 or under, in full time non advanced education* and do not have parental support
- They are responsible for a child
- They live with their partner who is eligible for UC
- They have reached the qualifying age for Pension Credit and live with a partner who is under that age
- They are disabled and have limited capability for work and are in receipt of; Personal Independence Payment, Disability Living Allowance, Attendance Allowance or Armed Forces Independence Payment

*Non-advanced education is any qualification up to A level or equivalent

Future planned changes

- For most households, Universal Credit will replace current means-tested benefits for all new claims from 2016. However, those in receipt of the Severe Disability Premium will remain on legacy benefits until the start of managed migration when transitional protection will be available.
- Claimants currently in receipt of other means-tested benefits, with the exception of the groups mentioned above, will migrate to Universal Credit by 2023.
- From October 2021, the period over which advances are recovered will increase from 12 to 16 months.
- From 2020, the earnings limit that triggers the surplus earnings policy was meant to be reduced from £2500 per month to £300 per month. However, the Secretary of State has maintained the £2500 per month figure for 2020, this will be kept under review.

The Local Housing Allowance (LHA)

Local Housing Allowance (LHA) rates determine the maximum amount of Housing Benefit or Universal Credit (housing element) a person will receive when renting from a private landlord.

On 1st April 2020 LHA rates were increased to match the 30th percentile of market rents. Previously LHA rates had been frozen since April 2016.

LHA rates vary depending on the location of the property in the U.K. The rate a claimant receives would depend on their bedroom entitlement.

The 5 LHA rates are:

- Shared accommodation rate
- 1 bedroom rate
- 2 bedroom rate
- 3 bedroom rate
- 4 bedroom rate

Single claimants

A single person under the age of 35 with no dependent children would be entitled to the shared accommodation rate.

A single person over the age of 35 with no dependent children would be entitled to the 1 bed room rate.

Couples and families

Claimants will usually be entitled to one bedroom for each of the following within their household:

- Claimant and a partner if claiming as a couple
- Each other couple (only for Housing Benefit claims)
- Each other person aged 16 or over (even if part of a couple for Universal Credit claims)
- 2 children under 16 of the same sex
- 2 children under 10 of any sex
- Any other child under 16

For example:

A couple (1 bedroom) with two daughters aged 8 and 11 (1 bedroom) and a son aged 12 (1 bedroom) would be entitled to the 3 bedroom rate.

Extra bedrooms

Claimants could be entitled to extra an bedroom if:

- They have a foster child placed with them, or for up to 12 months between placements
- Anyone in the household is disabled, in receipt of DLA, PIP or Attendance Allowance, and requires overnight care
- Anyone in the household is disabled, in receipt of DLA, PIP or Attendance Allowance and cannot share a bedroom i.e. an adult can't share with their partner or a child can't share with another child

Please be aware that claimants can only claim for a maximum of 4 bedrooms, including any 'extra' bedrooms, even if they are entitled to more.

The exact amount a claimant would receive can be checked using the postcode of their property and their bedroom entitlement at <https://lha-direct.voa.gov.uk/search.aspx>

Other benefits and information

Discretionary housing benefits

Discretionary Housing Payments (DHPs) are payments made at the discretion of the local authority to help people with rent. To be eligible, the person must be in receipt of some Housing Benefit or housing cost element in their Universal Credit.

A DHP is intended to give short-term assistance whilst the person seeks a longer-term solution. It is generally paid to those who have been affected by the benefit cap or receive reduced Housing Benefit due to the size or cost of their current house.

Local authorities each set their own criteria for eligibility and awards.

DHPs are not taken into account when assessing income for means-tested benefits.

Disability living allowance (DLA), Personal Independence Payment (PIP), Attendance Allowance (AA)

DLA, PIP and AA are disability benefits awarded to adults and children who need assistance with mobility or care. They are paid at different rates depending on the level of support required.

Children can receive DLA. Working-age adults can receive PIP and pension-age adults can receive AA.

These disability benefits can entitle a person to higher levels of means-tested benefits.

DLA, PIP and AA are not taken into account in assessing income for means-tested benefits.

The Benefit Cap

The Benefit Cap is a limit on the total amount of certain benefits people of working age can get. It affects people who get Housing Benefit or Universal Credit, which is reduced.

The benefit cap for those in Greater London is £23,000 per annum if they're a couple or lone parent and £15,410 per annum if they are single. The benefit cap outside London is £20,000 per annum for lone parents and couples and £13,400 per annum for single claimants.

This works out to be:

- £442.31 a week for a single parent/couple with children living in London
- £384.62 a week for a single parent/couple with children living outside London
- £296.35 a week for a single person living in London
- £257.69 a week for a single person living outside London

Covid-19

Please note that at the time of writing (October 2020) these figures have **not** been adjusted due to COVID 19 and remain in place.

Exemptions from the benefit cap

A working age* person can be exempt from the benefit cap if they, or someone in their household, are in receipt of certain benefits.

People are not affected by the cap if they, or their partner, are in receipt of:

- Working Tax Credit (even if the amount you get is £0)
- Universal Credit because of a disability or health condition that stops them from working (this is called 'limited capability for work and work-related activity')
- Universal Credit because they care for someone with a disability
- Universal Credit and the claimant is working and earning £604** or more a month, after tax and National Insurance contributions. If claiming as a couple it's the combined earnings that need to be above £604 a month

*Those over state pension age are automatically exempt

**This figure represents the amount someone would receive if they worked 16 hours a week, on average, at the National Living Wage.

People are also not affected by the cap if they, their partner or any children under the age of 18 living with them are in receipt of:

- Armed Forces Compensation Scheme
- Armed Forces Independence Payment
- Attendance Allowance
- Carer's Allowance
- Disability Living Allowance (DLA)
- Employment and Support Allowance (support component)
- Guardian's Allowance
- Industrial Injuries Benefits (and equivalent payments as part of a War Disablement Pension or the Armed Forces Compensation Scheme)
- Personal Independence Payment (PIP)
- War pensions
- War Widow's or War Widower's Pension

The Benefit Cap

Grace period

The benefit cap may not affect a claimants **Universal Credit** payments for up to 9 months. This is called the 'grace period' and designed to allow recently unemployed people, and those whose income has been reduced, to transition back into work without their other benefit entitlements being affected.

Claimants will be subject to the grace period if their earnings are now less than £604 a month (in or out of work) and in each of the 12 months before this time they earned above the earning threshold (£569 up to 31 March 2020, £604 a month from 1 April 2020).

Annex: Benefit Rates

The base amounts shown are valid for 2020, unless stated otherwise.

Jobseekers allowance, (JSA) Income support (IS) and Employment support allowance (ESA)		
Maximum amounts		
Single U25	£58.90	Weekly
Single	£74.35	Weekly
Couple - both under 18	£58.90	Weekly
Couple	£116.80	Weekly
ESA Work Related Activity Group (addition)	£29.55	Weekly
ESA Support Group (addition)	£39.20	Weekly
Work Allowances		
Single	£5.00	Weekly
Lone Parent	£20.00	Weekly
Couple	£10.00	Weekly
Disabled	£20.00	Weekly
Withdrawal Rate		
Rate	100%	
Income	Gross Earnings	
Capital and Savings		
Lower limit (working age)	£6,000.00	
Upper limit (working age)	£16,000.00	
Deductions per £250 over lower limit (working age)	£1	Weekly

Annex: Benefit Rates

The base amounts shown are valid for 2017/2018, unless stated otherwise.

Working tax credit (WTC) and child tax credit (CTC)		
Maximum amounts		
Child Tax Credit		
The Basic Amount (The Family Element)	£545.00	Annual
For Each Child (The Child Element)	£2,830.00	Annual
Disabled Child Element (on top of the child element)	£3,415.00	Annual
Severely disabled child element (on top of the child element and the disabled child element)	£1,385.00	Annual
Working Tax Credit		
Basic Element	£3,040.00	Annual
Couple and lone parent element	£2,045.00	Annual
30 hour element	£825.00	Annual
Disabled element	£3,220.00	Annual
Severely disabled element	£1,390.00	Annual
Percentage of total childcare costs	70%	Annual
Maximum Childcare (one child)	£175.00	Weekly
Maximum Childcare (two or more children)	£300.00	Weekly

Annex: Benefit Rates

The base amounts shown are valid for 2017-2018, unless stated otherwise.

Tax credit withdrawal		
Withdrawal Threshold		
Working Tax Credit	£6,530.00	
Child Tax Credit only earnings disregard	£16,385.00	Annual
Tax credit - disregarded fall in earnings	£2,500.00	Annual
Tax credit - disregarded rise in earnings	£2,500.00	
Withdrawal Rate		
Rate	41%	
Income	Gross earnings	

Housing benefit	
Housing Element	
Private Sector	Capped based on the local housing allowance, and the eligible number of bedrooms
Social Sector	Uncapped, typically lower than private rents, limited by eligible number of bedrooms
Owner Occupiers	Support for mortgage interest (at 3.12% on mortgages up to £200k, not technically housing benefit)
Bedroom entitlement	
Shared Room Rate	Single, Under 35
One bedroom	Couple, or Single over 35
Two bedrooms	Single or Couple, with any child, or two under 10, or two of the same gender
Three bedrooms	Single or Couple, with two children, one over ten and of different genders, or three children
Four bedrooms	Single or Couple, with at least three children 15+, or four children, with two 10+ of different genders

Annex: Benefit Rates

The base amounts shown are valid for 2017/2018, unless stated otherwise.

Housing benefit withdrawal		
Housing Premiums / Applicable Amount		
Child premium	£68.27	Weekly
Child disability premium	£65.52	Weekly
Enhanced child disability premium	£26.60	Weekly
Carer premium	£37.50	Weekly
Work Allowances		
Lone parent	£25.00	Weekly
Disabled	£20.00	Weekly
Couple	£10.00	Weekly
Single	£5.00	Weekly
Additional earnings disregard*	£17.10	Weekly
Childcare disregard (one child)**	£175.00	Weekly
Childcare disregard (two or more children)**	£300.00	Weekly
Withdrawal rate		
Rate	65%	
Income	Net Earnings	
Capital and savings		
Lower limit (working age)***	£6,000.00	
Upper limit (working age)	£16,000.00	
Deductions per £250 over lower limit (working age)	£1.00	Weekly

* If in receipt of Working Tax Credit

** Or actual childcare cost, if lower

*** Lower limit for pension age is £10,000 and the deduction tariff is £1.00 per £500 over lower limit

Annex: Benefit Rates

Universal Credit

Base Elements		
Single, under 25	£251.77/£342.72*	Monthly
Single, 25 or over	£317.82/£409.89*	Monthly
Couple, both under 25	£395.20/£488.59*	Monthly
Couple, at least one 25 or over	£498.89 /£594.04*	Monthly
Child Element		
First child	£281.25 (born before 6 April 2017) £235.83 (born on or after 6 April 2017)	Monthly
Subsequent children	£235.83	Monthly
Sickness / Disability Element		
Limited capability for work	£128.25	Monthly
Limited capability for work-related activity	£341.92	Monthly
Carer (providing at least 35 hours of care)	£162.92	Monthly
Disabled child - lower rate	£128.25	Monthly
Disabled child - higher rate	£400.29	Monthly
Childcare Element		
Percentage of total childcare costs	85%	From April 2016
Maximum Childcare (one child)	£646.35	Monthly
Maximum Childcare (two or more children) <small>*Temporarily increased by The Social Security (Coronavirus) Regulations 2020/371</small>	£1,108.04	Monthly
Housing Element		
Private Sector	Capped based on the LHA and the eligible number of bedrooms	
Social Sector	Uncapped, typically lower than private rents, limited by eligible number of bedrooms	
Owner Occupiers	Support for mortgage interest (at 3.12% on mortgages up to £200k, unless in work)	

Annex: Benefit Rates

Universal Credit withdrawal

Work Allowances (from April 2020)		
Household with children (no housing support)	£512.00	Monthly
Household with children (with housing support)	£292.00	Monthly
Disabled (no housing support)	£512.00	Monthly
Disabled (with housing support)	£292.00	Monthly
All others	-	Monthly
Withdrawal rate		
Earned income	63%	
Other income	100%	
Capital and savings		
Lower limit (working age)	£6,000.00	
Upper limit (working age)	£16,000.00	
Deductions per £250 over lower limit (working age)	£4.35 Monthly	



About Policy in Practice

We believe the welfare system can work better

Policy in Practice helps people towards financial independence. We're a policy led software and analytics business and we make the welfare system simple to understand and navigate.



Data Analytics

Explore your data over time with a LIFT Dashboard. See the impact of reforms on your households with a Policy Impact Analysis.



Software

Grow the financial resilience of people you help with our fast, accurate and easy to use Benefit and Budgeting Calculator.



Data Modeling

Model the impacts of changes on vulnerable groups, scheme costs, arrears and enforcement with our Council Tax Support Scheme modelling.

Organisations we work with



"The Policy in Practice LIFT Dashboard has allowed us to draw together previously disparate databases into one easily accessible platform. It maps our data against future predicted changes and gives us an easily accessible platform to see what residents' situations are."

Chris Parker, Newcastle City Council



"We chose to work with Policy in Practice because their unparalleled expertise in simplifying the welfare system, as well as their Benefit and Budgeting Calculator, allows us to deliver innovative services to jobseekers across the entire Southern region."

Marise Mackie, Pluss



"Policy in Practice's Benefit and Budgeting Calculator was something we really needed. It's enabled us to provide a consistent approach to assessing affordability. We give our customers an online tool which lets them take control of their finances and liaise with us electronically, without the awkwardness or challenge sometimes faced in person."

Carole Kenney, Phoenix



"We asked Policy in Practice to help us model our Council Tax Support scheme to give Members confidence that all options to reduce cost while supporting residents were covered. We wanted to learn from other LAs who've already rolled out UC and we knew an external consultant was the best way to do that."

Ian Jones, London Borough of Hackney

Work with us to make the welfare system better

We use our policy expertise to help you drive change. As a team of professionals with extensive knowledge of the welfare system we are regularly commissioned by organisations to provide data enabled social policy insights.

Contact us

For further information call 0330 088 9242, email hello@policyinpractice.co.uk or visit www.policyinpractice.co.uk.