

Withdrawn

This publication is withdrawn.

This publication is no longer current.

Universal Credit personal budgeting support

Guidance cover note

Universal Credit is designed to reflect and prepare claimants for the world of work in which 75 per cent of employees are paid monthly, and should encourage claimants to take responsibility for their financial affairs. To that end, Universal Credit will usually be paid in a single monthly sum to households. Households will be expected to manage their own budgets, including housing costs.

Paying Universal Credit monthly will help smooth the transition into monthly paid work and will encourage claimants to take personal responsibility for their finances and to budget on a monthly basis which could save households money if they take advantage of paying bills monthly e.g. by direct debit.

The Government understands, however, that the move to single monthly household payment is a significant change from the way many benefits are currently paid and that some claimants will require support to help them manage that change.

The Universal Credit claim process will identify the money management challenges that a claimant may face, depending on their personal circumstances. Where there is a clear need, they will be referred to online, telephone or face-to-face support with expert providers at a national and local level as appropriate.

Personal budgeting support will include two elements:

- Money advice will help claimants cope with managing their money on a monthly basis and paying their bills on time.
- Alternative payment arrangements will be available for claimants who cannot manage monthly payments. This could include rent paid directly to the landlord, more frequent payments or payment split between partners.

The attached guidance provides an overview of how this process will be operated in the Universal Credit Pathfinder.