



Department  
for Work &  
Pensions

# Introduction to Budgeting Loans

Easy  
Read



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# 1

## Introduction



Department  
for Work &  
Pensions

A **Budgeting Loan** is money you can get from the Department for Work and Pensions.



Because it is a loan, you have to pay this money back.

Budgeting Loans are repaid from your benefits.



The loan is to help pay for essential things or services.





This information will tell you what a Budgeting Loan is and who can get it.

For more Easy Read information on **Budgeting Loans**, go to:  
[www.gov.uk](http://www.gov.uk) and search for Budgeting Loans Easy Read.

# 2

## Who can get a Budgeting Loan



You can get a Budgeting Loan if you live in England, Scotland or Wales.



**Northern Ireland**

If you live in Northern Ireland, there is a different way to get a Budgeting Loan.

Go to: [www.nidirect.gov.uk/articles/budgeting-loans](http://www.nidirect.gov.uk/articles/budgeting-loans) for more information.



**Benefit Statement**

job:centreplus

Department for Work and Pensions

**Benefit Statement**

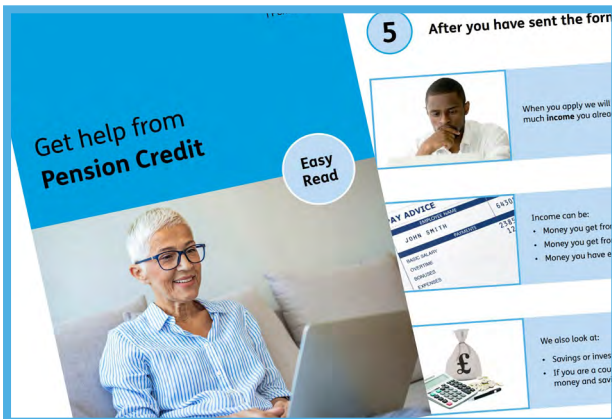
You can only get a loan if you have been getting certain benefits for the last 6 months.

canolfanbydgwaith

Adran Gwaith  
a Phensiynau

These benefits are:

- Income Support
- Income based Jobseeker's Allowance
- Income related Employment and Support Allowance.



And also:

- Pension Credit.

UC Universal  
Credit



Universal  
Credit

Department  
for Work &  
Pensions

Pension  
Credit

If you have moved **from** Universal Credit **to** Pension Credit, we will add the time you were getting Universal Credit to the 6 months.

**UC** *Universal  
Credit*



If you get Universal Credit now, you **cannot** get a Budgeting Loan.



You need to apply for a **Budgeting Advance** instead.

For more information on Budgeting Advances, go to:  
[www.gov.uk/universal-credit/other-financial-support](http://www.gov.uk/universal-credit/other-financial-support)



# 3

## Who cannot get a Budgeting Loan



**Budgeting  
Loan**

Some people cannot apply for a Budgeting Loan.



**Benefit  
Statement**



This is because of the benefits they get, or other circumstances.



**jobcentreplus**

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If you get:

- New Style Jobseeker's Allowance
- New Style Employment and Support Allowance

You cannot get a Budgeting Loan.



If you have a job and are currently involved in a **trade dispute**, you cannot get a Budgeting Loan.



### Explaining what a 'trade dispute' is

Sometimes when a person is on **strike** or **lockout** from their job, they are taking **industrial action** or they are involved in a **trade dispute**. This means you do still have a job but have decided to stay off work to protest.

If this happens, you cannot claim a Budgeting Loan.



If you owe more than £1500 from another Budgeting Loan or Crisis Loan, you cannot get a new Budgeting Loan.

For more information on other help you could get, go to:  
[www.gov.uk/budgeting-help-benefits/other-help-you-can-get](http://www.gov.uk/budgeting-help-benefits/other-help-you-can-get)

# 4

## What you can use the loan for



A Budgeting Loan from the Department for Work and Pensions can help you pay for:



- Furniture in your home such as chairs or tables.



- Household items such as a washing machine or a fridge.



- Clothing or shoes and trainers.



- Rent you have to pay in advance.



- Any moving house costs such as a 'moving van'.



- Essential work needed on your home, including maintenance.



- Security for your home, such as new keys or locks.



- Some travelling costs in the United Kingdom.



- Things that will help you get a new job, such as a suit for interviews or taxi fares to get to an interview.



- Costs due to pregnancy and childbirth.



- Costs for a funeral.





**PAID IN FULL**

- Paying back any loans taken out in your name for any of the reasons listed on pages 11 to 14.

To find out how much you could get from a Budgeting Loan, go to:  
[www.gov.uk/budgeting-help-benefits/what-youll-get](http://www.gov.uk/budgeting-help-benefits/what-youll-get)

# 5

## Paying the loan back



You pay your Budgeting Loan back to the Department for Work and Pensions.

# 0% Interest



The loan is interest free so you will only have to pay back what you borrow.



When we pay you your benefit, we take an amount off to help pay your loan off.



The amount taken depends on your total income.

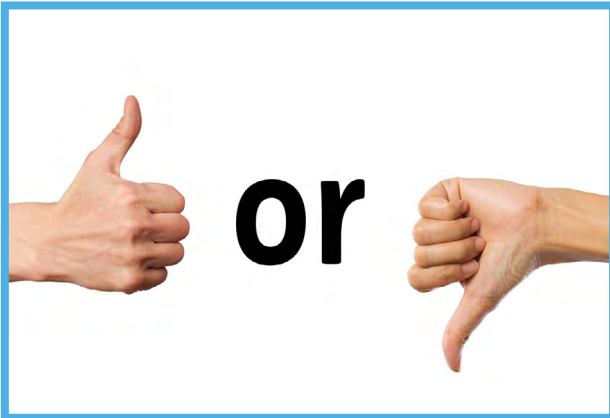


Your total income includes any benefits you get and what you can afford.



After you apply, the Department for Work and Pensions will send you:

- an email
- a text message, or
- a letter.



This will tell you if you can or cannot get a loan.



If you can get a loan, it will also tell you how much your weekly repayments will be from your benefit.



If you accept the loan, your weekly repayments from your benefit will start straight away.



**Repay  
within  
2 years**

You normally have to pay your Budgeting Loan back in full within 2 years.



**Budgeting  
Loan**

**PAID IN FULL**

If you stop getting benefits, the rest of your Budgeting Loan must still be repaid.



If this happens, you will need to find or arrange another way to repay your loan.

For more information on Budgeting Loans, go to:  
[www.gov.uk/budgeting-help-benefits](http://www.gov.uk/budgeting-help-benefits)