



Welfare Reform Act 2012

2012 CHAPTER 5

PART 1

UNIVERSAL CREDIT

CHAPTER 1

ENTITLEMENT AND AWARDS

Introductory

1 Universal credit

- (1) A benefit known as universal credit is payable in accordance with this Part.
- (2) Universal credit may, subject as follows, be awarded to—
 - (a) an individual who is not a member of a couple (a “single person”), or
 - (b) members of a couple jointly.
- (3) An award of universal credit is, subject as follows, calculated by reference to—
 - (a) a standard allowance,
 - (b) an amount for responsibility for children or young persons,
 - (c) an amount for housing, and
 - (d) amounts for other particular needs or circumstances.

2 Claims

- (1) A claim may be made for universal credit by—
 - (a) a single person, or
 - (b) members of a couple jointly.

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- (2) Regulations may specify circumstances in which a member of a couple may make a claim as a single person.

Entitlement

3 Entitlement

- (1) A single claimant is entitled to universal credit if the claimant meets—
- (a) the basic conditions, and
 - (b) the financial conditions for a single claimant.
- (2) Joint claimants are jointly entitled to universal credit if—
- (a) each of them meets the basic conditions, and
 - (b) they meet the financial conditions for joint claimants.

4 Basic conditions

- (1) For the purposes of section 3, a person meets the basic conditions who—
- (a) is at least 18 years old,
 - (b) has not reached the qualifying age for state pension credit,
 - (c) is in Great Britain,
 - (d) is not receiving education, and
 - (e) has accepted a claimant commitment.
- (2) Regulations may provide for exceptions to the requirement to meet any of the basic conditions (and, for joint claimants, may provide for an exception for one or both).
- (3) For the basic condition in subsection (1)(a) regulations may specify a different minimum age for prescribed cases.
- (4) For the basic condition in subsection (1)(b), the qualifying age for state pension credit is that referred to in section 1(6) of the State Pension Credit Act 2002.
- (5) For the basic condition in subsection (1)(c) regulations may—
- (a) specify circumstances in which a person is to be treated as being or not being in Great Britain;
 - (b) specify circumstances in which temporary absence from Great Britain is disregarded;
 - (c) modify the application of this Part in relation to a person not in Great Britain who is by virtue of paragraph (b) entitled to universal credit.
- (6) For the basic condition in subsection (1)(d) regulations may—
- (a) specify what “receiving education” means;
 - (b) specify circumstances in which a person is to be treated as receiving or not receiving education.
- (7) For the basic condition in subsection (1)(e) regulations may specify circumstances in which a person is to be treated as having accepted or not accepted a claimant commitment.

5 Financial conditions

- (1) For the purposes of section 3, the financial conditions for a single claimant are that—
 - (a) the claimant’s capital, or a prescribed part of it, is not greater than a prescribed amount, and
 - (b) the claimant’s income is such that, if the claimant were entitled to universal credit, the amount payable would not be less than any prescribed minimum.
- (2) For those purposes, the financial conditions for joint claimants are that—
 - (a) their combined capital, or a prescribed part of it, is not greater than a prescribed amount, and
 - (b) their combined income is such that, if they were entitled to universal credit, the amount payable would not be less than any prescribed minimum.

6 Restrictions on entitlement

- (1) Entitlement to universal credit does not arise—
 - (a) in prescribed circumstances (even though the requirements in section 3 are met);
 - (b) if the requirements in section 3 are met for a period shorter than a prescribed period;
 - (c) for a prescribed period at the beginning of a period during which those requirements are met.
- (2) A period prescribed under subsection (1)(b) or (c) may not exceed seven days.
- (3) Regulations may provide for exceptions to subsection (1)(b) or (c).

Awards

7 Basis of awards

- (1) Universal credit is payable in respect of each complete assessment period within a period of entitlement.
- (2) In this Part an “assessment period” is a period of a prescribed duration.
- (3) Regulations may make provision—
 - (a) about when an assessment period is to start;
 - (b) for universal credit to be payable in respect of a period shorter than an assessment period;
 - (c) about the amount payable in respect of a period shorter than an assessment period.
- (4) In subsection (1) “period of entitlement” means a period during which entitlement to universal credit subsists.

8 Calculation of awards

- (1) The amount of an award of universal credit is to be the balance of—
 - (a) the maximum amount (see subsection (2)), less
 - (b) the amounts to be deducted (see subsection (3)).

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- (2) The maximum amount is the total of—
 - (a) any amount included under section 9 (standard allowance),
 - (b) any amount included under section 10 (responsibility for children and young persons),
 - (c) any amount included under section 11 (housing costs), and
 - (d) any amount included under section 12 (other particular needs or circumstances).
- (3) The amounts to be deducted are—
 - (a) an amount in respect of earned income calculated in the prescribed manner (which may include multiplying some or all earned income by a prescribed percentage), and
 - (b) an amount in respect of unearned income calculated in the prescribed manner (which may include multiplying some or all unearned income by a prescribed percentage).
- (4) In subsection (3)(a) and (b) the references to income are—
 - (a) in the case of a single claimant, to income of the claimant, and
 - (b) in the case of joint claimants, to combined income of the claimants.

Elements of an award

9 Standard allowance

- (1) The calculation of an award of universal credit is to include an amount by way of an allowance for—
 - (a) a single claimant, or
 - (b) joint claimants.
- (2) Regulations are to specify the amount to be included under subsection (1).
- (3) Regulations may provide for exceptions to subsection (1).

10 Responsibility for children and young persons

- (1) The calculation of an award of universal credit is to include an amount for each child or qualifying young person for whom a claimant is responsible.
- (2) Regulations may make provision for the inclusion of an additional amount if such a child or qualifying young person is disabled.
- (3) Regulations are to specify, or provide for the calculation of, amounts to be included under subsection (1) or (2).
- (4) Regulations may provide for exceptions to subsection (1).
- (5) In this Part, “qualifying young person” means a person of a prescribed description.

11 Housing costs

- (1) The calculation of an award of universal credit is to include an amount in respect of any liability of a claimant to make payments in respect of the accommodation they occupy as their home.
- (2) For the purposes of subsection (1)—
 - (a) the accommodation must be in Great Britain;
 - (b) the accommodation must be residential accommodation;
 - (c) it is immaterial whether the accommodation consists of the whole or part of a building and whether or not it comprises separate and self-contained premises.
- (3) Regulations may make provision as to—
 - (a) what is meant by payments in respect of accommodation for the purposes of this section (and, in particular, the extent to which such payments include mortgage payments);
 - (b) circumstances in which a claimant is to be treated as liable or not liable to make such payments;
 - (c) circumstances in which a claimant is to be treated as occupying or not occupying accommodation as their home (and, in particular, for temporary absences to be disregarded);
 - (d) circumstances in which land used for the purposes of any accommodation is to be treated as included in the accommodation.
- (4) Regulations are to provide for the determination or calculation of any amount to be included under this section.
- (5) Regulations may—
 - (a) provide for exceptions to subsection (1);
 - (b) provide for inclusion of an amount under this section in the calculation of an award of universal credit—
 - (i) to end at a prescribed time, or
 - (ii) not to start until a prescribed time.

12 Other particular needs or circumstances

- (1) The calculation of an award of universal credit is to include amounts in respect of such particular needs or circumstances of a claimant as may be prescribed.
- (2) The needs or circumstances prescribed under subsection (1) may include—
 - (a) the fact that a claimant has limited capability for work;
 - (b) the fact that a claimant has limited capability for work and work-related activity;
 - (c) the fact that a claimant has regular and substantial caring responsibilities for a severely disabled person.
- (3) Regulations are to specify, or provide for the determination or calculation of, any amount to be included under subsection (1).
- (4) Regulations may—
 - (a) provide for inclusion of an amount under this section in the calculation of an award of universal credit—
 - (i) to end at a prescribed time, or

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- (ii) not to start until a prescribed time;
- (b) provide for the manner in which a claimant's needs or circumstances are to be determined.