

# Students and State Benefits

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## Can I claim benefits whilst studying?

Generally full-time undergraduate students are not eligible to claim state benefits during their course, part-time students may be able to. However, the following categories of full time students may be able to claim benefits whilst they're studying:

- some students with disabilities
- lone parents and single foster carers with a dependent child/children.
- student couples with at least one dependent child (during the summer vacation)
- non-student spouses and partners, subject to the normal rules
- students who are pensioners
- students who have suspended their studies due to ill health or caring responsibilities can claim from the date of recovery or the date your caring responsibilities end and until you resume your studies, or a maximum of 12 months - whichever is shorter

Please note, in all cases you must meet the usual benefit eligibility rules.

## Universal Credit

### What is Universal Credit?

Universal Credit is a payment to help with your living costs. It's usually paid monthly.

### Eligibility

You may be able to get Universal Credit if:

- you're on a low income or out of work
- you're 18 or over (there are some exceptions if you're 16 to 17)
- you're under State Pension age (or your partner is)
- you and your partner have £16,000 or less in savings between you
- you live in the UK

### If you're in training or studying full-time

You can make a new Universal Credit claim if any of the following apply:

- you live with your partner and they're eligible for Universal Credit
- you're responsible for a child, either as a single person or as a couple
- you're disabled and entitled to Disability Living Allowance (DLA) or Personal Independence Payment (PIP), Attendance Allowance and Armed Forces Independence Payment (AFIP) and have limited capability for work.
- you're in 'non-advanced education' (for example studying for A levels or a BTEC National Diploma), are 21 or under and do not have parental support
- You and your partner can claim Universal Credit as a couple if one of you is under State Pension age and eligible for Universal Credit.
- The support element of your maintenance loan will be ignored as income for means-tested benefits.

## Universal credit and legacy benefits

A number of benefits are currently being phased out and replaced with Universal Credit. The DWP plan to have all legacy benefits phased out by 2024.

The old benefits, known as "legacy benefits", are:

- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Income Support
- Child Tax Credit
- Working Tax Credit
- Housing Benefit

If you are receiving legacy benefits, you can stay on these benefits until you are asked to move on to Universal Credit. The exception to this is if you have a major change of circumstances. For example, if you were receiving Child Benefit, Child Tax Credit and Housing Benefit but become sick and need to make a claim for Employment Support Allowance, you would then have to claim Universal Credit instead. Your Child Tax Credit and Housing Benefit would stop immediately, and you would not be able to claim them again in the future.

**Please note:** Universal credit is now operating in all areas of the UK so any new claims are more than likely going to be for Universal Credit. However, this leaflet will talk about other benefits for the purpose of any students on legacy benefits.

## **Benefits related to disability and health**

Personal Independence Payment (PIP) and Disability Living Allowance (DLA) is paid to people who need extra help on a daily basis, for example with cooking, communicating, or getting around. PIP is not affected by study and receipt of this benefit can also qualify you to receive other benefits as a student (and the higher rate of maintenance loan).

### **Moving from DLA to PIP**

Since June 2013 Disability Living Allowance (DLA) was gradually phased out and replaced with PIP for 16-64 year-olds. Therefore, some claimants now have to attend a new medical assessment. If you are still on DLA, you will be given the opportunity to apply for PIP. If you do not apply, your benefit payment will stop. Please take a copy of our separate leaflet on 'PIP' from the Student Hub, or visit the websites below for more information:

- [www.gov.uk/dla-disability-living-allowance-benefit](http://www.gov.uk/dla-disability-living-allowance-benefit)
- [www.gov.uk/pip](http://www.gov.uk/pip)

### **Additional benefits you may be entitled to**

If you are entitled to PIP/DLA, you may also be entitled to Employment Support Allowance (ESA), Housing Benefit, Income Support or Universal Credit. You need to let the benefit office know what student income you receive. Your student loan or grant might cancel out most or all of your benefit award in term-time and the short vacations. However, you should receive benefits during the summer vacation. ESA, Income Support and Universal Credit is not available for students who have reached pension age.

### **If you've suspended your studies because of ill health**

If you have to suspend your studies because of ill health or caring responsibilities (for more than 28 weeks), you can make a claim for Universal Credit from the date you recover. This will last until you resume your studies or for 12 months - whichever is the shorter. You will have to look for work whilst claiming.

## **Students who are parents**

### **Child Benefit and Child Tax Credit (CTC) *(are unaffected by being a student)***

If you already receive these benefits, they should continue once you start your course. However, your maintenance loan will count as income for means-tested benefits, including CTC. To claim benefits because you are a parent, your child must be under 16 years of age, or under 20 years of age and in full-time non-advanced education and you still receive Child Benefit for them. Child Tax Credit is being replaced by Universal Credit like other legacy benefits.

### **If you are already studying and you become responsible for a child**

For example, because you have a new baby or your child comes to live with you, you should claim Child Benefit immediately. You may also be entitled to make a claim for Universal Credit. If you have a partner you must claim as a couple, regardless of whether your partner is also a student. This benefit can include an amount for help with your rent. Your student funding will

reduce the amount of benefit you are paid, therefore it is likely that you will have to pay some of your rent yourself.

### **Help with childcare costs**

Can be paid through Universal Credit or Working Tax Credit. However, if you get the childcare grant from Student Finance England you cannot claim both. Working Tax Credit is being phased out by Universal Credit.

### **During the summer holidays**

Parents can claim Universal Credit in full during the summer holidays (July/August only). Depending on the ages of your children you may have to be available and actively seeking work. Please see link below for further information

<https://bit.ly/2pZvg5C>

### **Pregnant women with less than 11 weeks until their due date, or those who have recently had a baby or a miscarriage**

May be entitled to benefits such as Maternity Allowance or Universal Credit, depending on their circumstances.

### **Single foster carers of a child under 16**

May be entitled to Income Support and Housing Benefit, or Universal Credit.

### **Non-student spouses and partners**

Couples where one partner is a student and the other is not, may be able to claim benefits. For example, if the non-student partner is looking for work, they can claim Jobseeker's Allowance; long-term sick, Employment Support Allowance; or in a low-paid job, Working Tax Credits, and Housing Benefit or Universal Credit. Note that any income from employment, as well as student funding, will count towards income and reduce the amount of benefit payable.

### **Older people**

If you are over a certain age, you may be able to claim benefits whilst in full-time study. The relevant age is called "Pension Credit qualifying age" and depends on your date of birth. You can find out your Pension Credit qualifying age here: <https://bit.ly/24Kr1Ja>

If you are over Pension Credit qualifying age, you may be able to claim Pension Credit and Housing Benefit. Your student finance will normally be taken into account when calculating your entitlement to benefits. If you have worked in the past, you may also receive State Retirement Pension. If you have a partner, and one of you is under state pension age you can claim Universal Credit as a couple, when you both reach state pension age your Universal Credit claim will stop.

### **If you've suspended your course due to caring responsibilities**

If you've had to suspend your course due to caring responsibilities, you may be able to claim Carer's Allowance (CA) whilst you are caring. You cannot claim CA as a full-time student.

In addition, you may be able to claim a top-up of Income Support and Housing Benefit, or Universal Credit. This can continue until your caring responsibilities end. From the date your caring responsibilities end you can claim Jobseeker's Allowance or Universal Credit, this can last until you restart your course or for 12 months, whichever is the sooner. You will have to look for work whilst claiming these benefits.

## When your course ends

You can claim benefits when you have completed your course and it has officially ended, as you are then no longer registered as a student.

Your eligibility to receive benefits will depend upon meeting the normal benefit rules. The amount of benefit paid depends on your income and/or your partner's income if you live together, whether this is from benefits, employment or another source.

## Postgraduate students

Students on a **full-time** taught master's degree cannot usually claim benefits unless they fall into one of the categories listed on page 3.

This is because you are treated as being unavailable for work due to being on a full-time course which has no summer vacation. Research students not falling into one of the categories on page 3 may be able to claim either Jobseeker's Allowance with Housing Benefit or Universal Credit, in one of the following ways:

- During any vacation periods from your course, which fall in the summer, if you can show that you are available for and actively seeking work.
- Once you have switched to writing up status. In order to claim JSA or Universal Credit you would need to show that you are available for and actively seeking work, and that you would be able to fit your thesis writing around any job you are offered.

## Part-time students

Part-time students may be able to claim JSA with HB, or UC, if you meet the rules on "available for and actively seeking work". Any Student finance will count as income and reduce your entitlement to benefit.

## General rules for benefits

### UNIVERSAL CREDIT

You make one online claim for Universal Credit to cover your living costs, housing and costs for dependent children. If you are living with a partner, you must claim as a couple. Once you claim, you will be invited to an interview at Jobcentre Plus to confirm your circumstances and agree a "claimant commitment". This states what you (and your partner if you have one) must do in order to receive UC and could include your partner having to look for work or to increase their hours or rate of pay. If you don't meet your claimant commitment, you can have money taken off your UC.

Universal Credit is made up of a standard allowance plus other 'elements' - for example for children, childcare, housing and caring. The amount you could get will depend on your circumstances. If you qualify, your monthly payment will cover everyone in your family who qualifies for support. 'Family' could mean you as a single person for example, or you might also be claiming for a partner and/or children.

When you claim UC, you will have to wait between 5 and 6 weeks for your first payment. Any payments of Housing Benefit, Tax Credits and other legacy benefits you might already be receiving will stop. You can ask for an "advance payment" of UC to help you manage during this period - but you will have to pay it back.

### JOBSEEKER'S ALLOWANCE

In order to get Jobseeker's Allowance, you have to show that you are "available for and actively seeking work". This could mean applying for jobs, going to interviews, and keeping a record of websites you have searched to look for work. If you don't meet your commitments to look for work, or turn down a job without good reason, your money could be reduced or stopped. If you

are entitled to JSA, you may be entitled to Housing Benefit to help with the cost of your rent.

## **EMPLOYMENT AND SUPPORT ALLOWANCE**

To get ESA, you must have “limited capability for work” or “limited capability for work-related activity”. This is normally assessed by completing a health questionnaire and attending a health assessment. If you do not pass the assessment your benefit will stop, although this decision can be appealed, and you will be paid a basic rate of benefit whilst you wait for the appeal to be heard. If you are entitled to ESA, you may be entitled to Housing Benefit to help with the cost of your rent

## **INCOME SUPPORT**

The groups of people who can claim Income Support are very limited, but usually they are students with disabilities or lone parents. If you are entitled, you will also be eligible to apply for Housing Benefit to help with the cost of your rent.

## **HOUSING BENEFIT**

Housing Benefit is a payment made to help cover rent. It cannot cover mortgage payments, service charges or utility bills that may be included in your rent. Housing Benefit is administered by the Local Authority (e.g. your local council) rather than the Department of Work and Pensions, and you must claim HB separately via your local authority. If you need help with mortgage payments, an amount towards your mortgage interest can sometimes be included in UC, JSA, ESA or IS.

## **TAX CREDITS**

There are two types of tax credits: Working and Child. Tax Credits can be claimed whilst studying provided you fulfill the eligibility criteria. You're paid every week or every 4 weeks from the date of your claim up to the end of the tax year (5 April).

### ***Working Tax Credit -***

Eligibility depends on your age and how many hours of paid work you do per week. Your income and circumstances will also affect how much you get. You must be 16 or over to qualify or 25 or over if you don't have children or a disability. You must also work a certain number of hours a week:

Aged 25 to 59	<i>At least 30 hours</i>
Aged 60 or over	<i>At least 16 hours</i>
Disabled	<i>At least 16 hours</i>
Single with 1 or more children	<i>At least 16 hours</i>
Couple with 1 or more children	<i>Usually, at least 24 hours between you (with 1 of you working at least 16 hours)</i>

You must get paid for the work you do (or expect to) and have an income below a certain level. Some self-employed people are also eligible for Working Tax Credit, but your self-employed hours must not be uncommercial or unprofitable.

### ***Child Tax Credit -***

You can get Child Tax Credit for each child you're responsible for if they're:

- under 16
- under 20 and in approved education or training

You don't need to be working to claim Child Tax Credit. How much you get depends on your income and circumstances. Only one household can get Child Tax Credit for a child at a time. For more information on tax credits, please visit the following websites:

- [www.gov.uk/working-tax-credit](http://www.gov.uk/working-tax-credit)
- [www.gov.uk/child-tax-credit](http://www.gov.uk/child-tax-credit)

## Council tax reduction

Most full time students do not have to pay Council Tax. However, you may have to pay Council Tax in certain situations, for example if you live with a partner and your partner is not a student then as a couple you will have to pay Council Tax. If you receive any of the benefits listed above, you may be able to get help with your Council Tax through the Council Tax Reduction scheme. This is administered by the local authority, and the rules are different for different areas of the country. To apply, contact your local authority. In most cases you can apply via their website.

## Will my student funding affect my benefits?

When you begin your studies, you must inform Job Centre Plus / the Department for Work and Pensions / Housing Benefit Office that you have started studying and you will need to notify them of your student income by providing your Student Finance England breakdown Letter.

### Important!

If you are a lone parent or receive disability benefits, you may also be entitled to extra support from Student Finance England (SFE):

- Students starting a course *from* September 2021 could be entitled to a Maintenance Loan of up to **£10,815**. An element of this will affect your benefit entitlement and a portion will be disregarded.
- The 'wrong type' of student funding could reduce your benefit entitlement. If you're unsure about this, contact SFE or the Student Funding Team.

In most cases, the **Maintenance Loan** cancels out payments of Income Support and income-based Employment Support Allowance, during term-time, including short vacations. This is because the weekly loan income is higher than the maximum benefit payable.

The Maintenance Loan is unlikely to cancel out Housing Benefit/Universal Credit completely and most eligible students retain some benefit throughout the year.

As the Maintenance Loan does not count as income during July and August, benefits can be paid in full during the summer holidays. You'll need to contact the relevant benefits department to re-apply or be re-assessed. If you are already receiving Child Benefit and Child Tax Credit, these will be unchanged by student income.

## What student income is used when calculating my benefits

**Social Work Bursary** and **Adult Dependents' Grant** are used in the calculation. Some of your Maintenance Loan and the following funds are **disregarded** when your benefit entitlement is worked out:

- Parents' Learning Allowance
- Childcare Grant
- Tuition Fee Loan
- A fixed amount for books and equipment
- A fixed amount for travel
- £10 per week, which is normally set against the Maintenance Loan
- Most of Solent's grant awards
- Any allowance to meet extra expenses because you're a student with disabilities (e.g. Disabled Students Allowances)

## Can I choose not to take out my maintenance loan?

You can, but Job Centre Plus and the Benefit Office will still assume you have taken out your full Maintenance Loan entitlement whether or not you actually have. If you choose not to take the Loan out, it will still be counted as income. The Loan is only ignored if you are not eligible to receive it and you can prove this to the relevant benefit department.



**Further Information:**

- [www.gov.uk/browse/benefits/entitlement](http://www.gov.uk/browse/benefits/entitlement)
- [www.citizensadvice.org.uk/benefits/](http://www.citizensadvice.org.uk/benefits/)
- <https://www.disabilityrightsuk.org/how-we-can-help/individuals/education/frequently-asked-questions-students>
- <https://www.turn2us.org.uk/Benefit-guides/Full-time-students-and-benefits/Full-time-students-and-other-benefits>