

Universal Credit – The Tricky Bits

H06 – Deductions Case Studies

Percentages Charts

	Standard Allowance	5%	10%	20%	25% (max)
Single Claimant aged under 25	£257.33	£12.86	£25.73	£51.46	£64.33
Single Claimant aged 25 or over	£324.84	£16.24	£32.48	£64.97	£81.21
Joint Claimants both aged under 25	£403.93	£20.20	£40.40	£80.79	£100.98
Joint Claimants both aged 25 or over	£509.91	£25.49	£50.99	£101.98	£127.48

Work Allowances

Lower Work Allowance	£335.00
Higher Work Allowance	£557.00

1. Paul is single and age 42. gets the housing element and two child elements. He has rent arrears.
 - a) Does he have to give consent for the DWP to make third party deductions from his UC?

 - b) Paul owes £600 in rent arrears. How much will be deducted from his UC each month?

2. Rachel and Ishmael are both 22. They are repaying their advance payment at a rate of £40 per month over 12 months. They owe the following debts:
- Rent arrears £1200
 - Electricity arrears £700

How much of their standard allowance will they lose?

3. Wendy is single and, at age 33, gets £42 Universal Credit. She has the following debts:
- Rent arrears £1200
 - Electricity arrears £700

How much UC will she actually receive?

4. Hannah and Jordan, get UC comprising the standard allowance, the housing element and the child element. They are having £282.00 in 3rd party deductions made from their UC each month. Hannah gets a new job, so their combined income goes up to £400 per month. What happens to their deductions?

5. Sacha is single and over 25. He owes
- gas arrears
 - Magistrates court fine
 - Rent,
 - Child maintenance

What's the Maximum deduction that could be made? (Clue: work by adding up percentages first, and only converting this to a figure at the end).