



HOUSE OF COMMONS
LONDON SW1A 0AA

Andy Auld
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9th October 2017

Dear Andy

Thank you for your letter of the 25th September 2017 regarding Universal Credit.

As you say, the aims of UC are to simplify an incredibly complex benefits system – and to ensure that whilst there remain protections for those who need it, it always pays to work.

You will be aware that many benefits claimants who wanted to work were disincentivised from do so because of the cliff edge drop in income. It is right, I believe, that the Government is looking to change this.

Figures have shown that people claiming Universal Credit are 13 per cent more likely to be in work than people claiming Job Seeker's Allowance, earning more money and more able to take a job.

The taper rate has also been reduced since April of this year to help people to progress in work. This change will mean people will keep more of what they earn and will be better rewarded for increasing their hours or pay.

It is also worth noting that under Universal Credit, support worth up to 85 per cent of childcare costs is now available regardless of hours worked, significantly higher than the support that was available under tax credits.

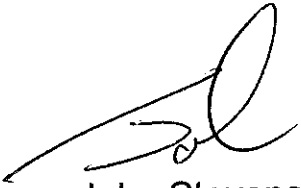
The monthly assessment period within UC is a key part of the change. Payments are made monthly in arrears to mirror the world of work, making the transition to working life easier and giving claimants more responsibility for managing their finances. Claimants will usually receive their payment seven days after each assessment period ends.

For those individuals who think they may face difficulties before their first payment, an advance payment can be requested. Advance payments can help with managing the initial period before payments start, and are treated as a loan, with repayments automatically deducted from future Universal Credit payments. Around half of all new claimants to Universal Credit receive an advance.

I certainly agree that the Government has a duty to ensure these measures are working the way they are supposed to – and that they aren't unfairly penalising those using the system. I know we are meeting soon, and I hope we can discuss how the system is working in Carlisle

Thank you again for taking the time to write to me.

Yours sincerely

A handwritten signature in black ink, appearing to be 'JS', written in a cursive style.

John Stevenson MP