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What is the Universal Credit housing element?

Basic info

Universal Credit (UC) is a new means-tested benefit for working age people that is gradually being phased in between 2013 and 2021. When it is fully phased in, UC will replace:

- income support
- income-based jobseekers allowance
- income-related employment and support allowance
- working tax credit
- child tax credit
- housing benefit

How is UC worked out?

The starting point is the claimant's maximum UC: this is the most that the claimant could receive if s/he had no income at all. If the claimant has any income, his or her maximum UC is reduced by 65% of any net earnings above a threshold (the "work allowance") and 100% of any other income.

Maximum UC is made up of four "elements":

- A basic "standard allowance" based on the claimant's age and whether they are single or in a couple
- An amount for each child or dependent "young person" (older teenagers still doing A-Levels or equivalent)
- An amount for housing costs, including rent, service charges and mortgage interest
- Additional amounts if the claimant is sick or disabled, if s/he pays for child care or if s/he cares for a disabled person

If the claimant occupies specified accommodation his/her maximum UC does not include a housing element: instead s/he can still get Housing Benefit. Anyone who is entitled to any UC at all qualifies for full Housing Benefit.