

## Work allowance for Universal Credit

### What the work allowance is and how this affects your Universal Credit

If you/and or your partner are in paid work, you might be able to earn a certain amount before your Universal Credit is affected, this is called the work allowance (see [earnings taper](#) for more information about the effect).

Your work allowance will depend on whether you are single or part of a couple and whether your Universal Credit includes amounts for:

- housing costs
- children
- limited capability for work

The table below shows the different levels of monthly work allowance. If you don't have help with housing costs included in your Universal Credit award the higher work allowance will apply, otherwise it will be the lower work allowance.

The work allowance levels for those with children or limited capability for work were reduced in April 2016. The work allowance was abolished altogether for non-disabled, childless claimants meaning your benefit is reduced as soon as you start earning.

<b>Higher work allowance</b>		<b>pre 2016 (per month)</b>	<b>April</b>	<b>from April 2017 (per month)</b>	<b>From April 2018</b>
Single claimant	- not responsible for a child or qualifying young person		£111	£0	£0
	- responsible for one or more children or qualifying young persons		£734	£397	£409
	- has limited capability for work		£647	£397	£409
Joint claimants	- neither responsible for a child or qualifying young person		£111	£0	£0
	- responsible for one or more children or qualifying young persons		£536	£397	£409
	- one or both have limited capability for work		£647	£397	£409
<b>Lower work allowance</b>		<b>pre 2016 (per month)</b>	<b>April</b>	<b>from April 2017 (per month)</b>	<b>From April 2018</b>
Single claimant	- not responsible for a child or qualifying young person	£111		£0	£0
	- responsible for one or more children or qualifying young persons	£263		£192	£198
	- has limited capability for work	£192		£192	£198
Joint claimants	- neither responsible for a child or qualifying young person	£111		£0	£0

	- responsible for one or more children or qualifying young persons		£222	£192	£198
	- one or both have limited capability for work		£192	£192	£198

### **What the earnings taper is and how this affects Universal Credit**

The Universal Credit earnings taper is a reduction to your Universal Credit based on your earned income. The taper rate sets the amount of benefits a claimant loses for each pound they earn. The earnings taper rate is currently 63%.

This means for every pound you earn over your work allowance (if you are eligible for one) your Universal Credit will be reduced by 63 pence.

To work out the earnings taper that applies to your award:

1. Take your total monthly earnings figure after tax, National Insurance and relevant pension contributions have been taken off
2. Deduct your monthly work allowance, which is the amount you can earn without your benefit being affected (if you are eligible for one)
3. Apply the taper rate by multiplying the remaining earnings by 0.63

This is the amount that will be taken from your Universal Credit maximum amount when calculating your award.