

J. 18-3 Motion to support student claimants of Universal Credit

Owner: Paloma Paige

In Effect From: Immediately

Review Date: 20 November, 2018

Councils Notes:

1. Universal Credit (UC) came into effect in 2013 and is a consolidation of the UK benefits system. It replaces: Child Tax Credit, Housing Benefit, Income Support, income-based Jobseeker's Allowance (JSA), income-related Employment and Support Allowance (ESA), and Working Tax Credit.
2. UC encompasses multiple benefits which did not take into account student income in their previous form.
3. UC deducts student income £ for £. Conversely, UC deducts earned income 63p for £.
4. Student loans and other unearned income comes under 'student income'
5. The petition (see appendix a.) currently has 378 signatures. It needs 100,000 by 30/04/19 in order to be debated in Parliament.
6. The NUS (Scotland) has crafted workshops for its members specifically to brief them on UC and provide them resources for their own campaigns.

Councils Believes:

1. UC has fundamentally disregarded students
2. UC definitions and calculations of student income can leave students struggling to cover living expenses, to then consider the cost of studying at University additionally
3. The aforementioned circumstances primarily affect students from WA&P backgrounds, mature students, and students with dependents, students with disabilities and students receiving SAAS payments.
4. The status quo puts at risk diversity at the University of St Andrews

Councils Resolves:

1. To sign and support the petition to '[Change How Universal Credit is Calculated For Those Receiving Student Income.](#)'
2. To sign and support the open letter written by Sandra Mitchell
3. To support the Sabbatical officers in continue collaborations with the University of St Andrews to
 - 3.1. support affected St Andrews students who lack funding and/or other resources
 - 3.2. explicitly push the government to change how UC engages with students
 - 3.3. improve awareness, among staff and students, of the challenges UC currently poses to students, so as to meet the likely increased need for support as more students switch over to the new benefits system

Proposed by:

Paloma Paige, Association President

Seconded by:

Nick Farrer, Director of Wellbeing

Ciara McCumiskey, SRC Member for Widening Access and Participation

Jamie Minns, Director of Student Development and Activities

Appendix A. petition to Westminster: [‘Change How Universal Credit is Calculated For Those Receiving Student Income.’](#)

Appendix B. [open letter](#)

Appendix C. summary paper

Appendix A. Petition to Westminster: **‘Change how Universal Credit is calculated for those receiving student income’**

Currently student income is deducted pound for pound as though it’s unpaid income. It should be treated the same as earned income and deducted 63p in the pound. Calculations should also be changed for Scottish students who receive monthly student income payments and can have no payments over summer.

Many lone parent students, indeed any student, can find themselves in a position where they are up to £300 a month worse off under UC than under tax credits because of the current guidance on student income. We take out student loans out to fund our education to help us get to a position where we no longer require in work benefits and instead of being encouraged we are penalised. They don’t acknowledge bank loans as income so why are student loans deducted so harshly for calculation purposes!

Appendix B.

I am sure many people are aware of the impact of Universal Credit on low income families and those with disabilities, but there is another section of society where effects are becoming especially apparent. Many students are now finding themselves in a position where it is becoming increasingly difficult to maintain their place at university or colleges up while trying to keep roofs over their heads and feed and clothe their families. This is particularly true for lone parent students, students with low-income families and disabled students. This is down to Universal Credit and how it deducts student income.

Universal Credit is the benefit that we are constantly being told is designed to 'make work pay' but claimants are finding this is not the case, especially students. Does putting in a full time working week at university not count as work? Under legacy benefits such as tax credits student income is not taken in to account, allowing families to still receive child tax credit alongside their student loan which would go a long way to helping offset the costs of raising a family, but because Universal Credit classes student income as unearned income it is taken into account and deducted pound for pound, leaving many claimants with no award or very little.

Students work hard and take out substantial loans to get an education that will allow them to get to a place where they no longer require work top-ups and break out of a cycle of low paid jobs to scrape by, but this government is making this increasingly hard to do that and as a result, this will stop disadvantaged students taking up places at university that they have worked incredibly hard for. If this is allowed to continue then we are potentially denying our country of seeing some of our best and brightest from fulfilling their potential and this in turn will have a knock-on effect for universities, who will start to notice a decrease in their student intake. What does this say for the future of our world-renowned university system and research hubs that play such an important part in the world stage? This does not look like the meritocratic society we are told we live in.

We are calling on the government to review how student income is calculated to allow for more support and to allow families to lift themselves out of the trap of poverty and low paid jobs. At the very least student income should be calculated along the lines of wages whereby we are given a work allowance and then deductions made 63p in the £ which would allow for a fairer system that would have us in the same financial position as the employed. After all, we are workers too and we take out loans which we will pay back with interest in order to work this hard. Students are regularly putting in more than a full time working week for University, but we are being left in a financial position that is worse than if we were unemployed. That is not a system of fairness but a system that is punitive and seems determined to stop people from being upwardly socially mobile.

Surely it is in the government's interests to re-evaluate this if they truly want to reduce child poverty, increase upward mobility and prove that we are not the socially closed society that it is increasingly looking like.

Signed:

Appendix C. Summary Paper

1. Universal Credit was the benefit brought in to replace an array of unemployment benefits and in work benefits to streamline the claims process and allow for more stability of income. These benefits include Jobseekers allowance, income support, employment and support allowance, child tax credits, working tax credit and housing benefit.¹ In theory it is wonderful but unfortunately due to waiting times, waiting 5 weeks for a first payment and being paid monthly instead of weekly or fortnightly, has resulted in a great deal of debt for people.² Many are facing eviction and having to turn to food banks and charities regularly.

2. There is another problem with UC in how it treats students, Students can only claim UC if they are a lone parent, part of a low-income family with children or disabled.

3. Under UC when wages are reported to calculate your UC entitlement, they have a disregard of your work allowance which is £198 then the remaining is deducted from your overall entitlement 63p in the £. For student income they disregard a flat rate of £110 they then deduct the rest £ for £. There can be other disregards, but these are open to interpretation and it could mean that English, Scottish, Welsh and NI students are having completely different amounts disregarded. This is because the guidance is primarily set up for English student finance and each country's finance is comprised of different components and called different names, but the overall amount of finance is the same. Because of the wording it can get very confusing and case managers are not sure how to deal with it leading to wildly different amounts for claimants.³

4. I myself have found myself between £250-£300 a month worse off as a student under UC and many more are reporting this to be the case. Under legacy benefits I would have still had my child tax credits amounting to just over £240 a month and would possibly have had a small amount of housing benefit to help towards my rent. Under UC I find myself with no award which means I must make sure I can cover all bills and feed and clothe not just me but my son on my student income.

5. Another issue that crops with UC and students is the fact that Scottish students are being left for the month of June with no income. Scottish students are paid monthly but they calculate based on the English payment schedule which is three lump sum payments over the academic year. To do this they take the full amount and deduct by the number of months in the academic year which assumes we still have money in June. Scottish students get their last SAAS payment at the beginning of May which leaves them for a whole month with no income as they won't be entitled to a full payment from UC until July.

Sandra Mitchell 17/11/18

¹ <https://www.gov.uk/universal-credit>

² <https://www.theguardian.com/society/2017/jul/06/universal-credit-rollout-should-be-delayed-as-it-is-failing-too-many-people>

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754952/admh6.pdf