

## How Universal Credit helps make work pay

## Universal Credit helps make work pay by topping up your earnings.

That's because you can still get Universal Credit when you start a job.

When you start work, the amount of Universal Credit you get will gradually reduce as you earn more. But unlike Jobseeker's Allowance, your payment won't stop just because you work more than 16 hours a week.

You can earn a certain amount before your Universal Credit payment is reduced. This is known as your work allowance. Until you earn over your work allowance you will be able to keep the whole of your Universal Credit payment.

Once you earn more than your work allowance your Universal Credit payments will be reduced at a steady rate. Your payments will change automatically as your earnings change.

Your total income will be your earnings plus your new Universal Credit payment. The more you earn, the higher your total income will be.



Your claim continues when you start work, so you can take temporary or seasonal jobs without worrying about making a brand new claim or any gaps between paydays as you move in and out of work.

See this short video about how James is better off for every extra hour he works

For more information visit <u>www.gov.uk/universalcredit</u> or the <u>Universal Credit</u> <u>toolkit</u>.