**Student Case Study:  
Universal Credit vs Child Tax Credit & Housing Benefit**

**Finn is a lone parent over 25 years of age. He has one child, aged 14. His rent is £100 per week.  
He is a full-time student, but also works 16 hours per week at the rate of £8.72 per hour.   
  
FINN’S CURRENT CHILD TAX CREDITS, WORKING TAX CREDITS & HOUSING BENEFIT CALCULATION:**

**Child Tax Credit & Working Tax Credit = £162.69 per week**

**Housing Benefit calculation:**

Income from Student Finance (Loan) = £6411 per year (with disregards deducted)  
Divided by 42 weeks (Sept to June) = £152.64 per week  
Minus Student Loan Disregard (of £10 per week) = £142.64 per week = total income from Loan

Total Income for Housing Benefit purposes is:

Wages £139.52 p/wk, minus disregards (£25 + £17.10) = £97.42  
Tax Credits = £162.69  
Student Loan = £142.64  
Total Income for HB = £402.75

Minus Applicable Amount of £160.22 = £242.53 income left

Housing Benefit taper of 65% is applied = £157.65 – this is more than his rent, therefore **No Housing Benefit would be paid**

**UNIVERSAL CREDIT CALCULATION:**

Maximum Universal Credit (10 months / ‘Assessment Periods’: Sept to June) =

Standard Allowance = £409.89 +  
1 Child Element = £281.25 +  
Housing Costs = £433.33  
Total = £1124.47 per month is the maximum UC that Finn could receiveIncome from Student Finance (Loan) = £6411 per year (after disregard is deducted)  
Divided by 10 Assessment Periods (Sept to June) = £641.10  
Minus £110 Student Loan Disregard = £531.10 Student Loan Income

Income from Wages = £704.99 per month  
Minus Work Allowance of £292 = £412 per month  
Income taper of 63% = £260.18 Income from Wages

Amount of Universal Credit payable is Maximum Universal Credit minus Total Income.  
Therefore, £1124.47 – £531.10 – £260.18 = **£332.72 Universal Credit per month (or £76.78 per week)**

**COMPARISON**:

**Therefore Finn is currently receiving £162.69 per week in Tax Credits, which compares to £332.72 per month (or £76.78 per week) he would receive from Universal Credit. Therefore he receives £85.91 per week more with his current Tax Credits claim.**

**So, someone in Finn’s situation would be worse off by £85.91 per week under Universal Credit, compared to continuing their existing Tax Credits claim.**