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

**Rey is a lone parent under 25 years of age. She has one child, aged 7.   
She is a full-time student and does not work.**

**REY’S CURRENT CHILD TAX CREDIT & HOUSING BENEFIT CALCULATION:**

Child Tax Credit = £65 per week

Housing Benefit:

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 HB is £65 CTC plus £142.64 Loan = £207.64

Minus Applicable Amount of £ 160.22 = £47.42 income left, to reduce benefit

Housing Benefit taper of 65% is applied = Housing Benefit is reduced by £30.82

**Rey receives her £65 per week Child Tax Credit, but needs to pay £30.82 per week towards rent.  
The net balance in benefit/credits paid to Rey is therefore £34.18 per week.**

**UNIVERSAL CREDIT CALCULATION:**

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

Standard Allowance = £342.72 +  
1 Child Element = £281.25  
Total = £623.97 is the maximum Rey could receive

Income 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

Amount of Universal Credit payable is Maximum Universal Credit amount minus Income amount.  
Therefore £623.97 - £531.10 = £92.87

**So, if Rey has no Housing Costs, her UC award would be £92.87 per month (£21.43 per week)  
If Rey did have Housing Costs to pay, her award would be her full eligible rent + £92.32 per month (£21.43 per week).**

**COMPARISON:**

**Therefore, Rey receives approximately £12.75 per week more from her existing Tax Credits and Housing Benefit awards than she would through the Universal Credit system.**