**Lyra is a full-time student, over 25 years of age. She is married and has one child, a daughter aged 9.
Her husband works 35 hours per week for £1203 per month (after tax). Their rent is £90 per week.

LYRA’S CURRENT CHILD TAX CREDITS, WORKING TAX CREDITS & HOUSING BENEFIT CALCULATION:**

Child Tax Credit & Working Tax Credit = **£105 paid per week**

Housing Benefit:

Income from Student Finance (Loan) = £8510 per year (after disregards are deducted)
Divided by 42 weeks (Sept to June) = £202.62 per week
Minus Disregard (of £10 per week) = £192.62 per week = total income from Loan

Total Income for Housing Benefit purposes is:
Wages £277.66 p/wk, minus disregards (£10 + £17.10) = £250.56
Tax Credits = £105

Student Loan = £192.62

Total Income for HB = £548.18

Minus Applicable Amount of £202.67 = £345.51 weekly income left, to reduce benefit

Housing Benefit taper of 65% is applied = **No Housing Benefit would be paid, as weekly income is higher than allowable rent**

**UNIVERSAL CREDIT CALCULATION:**

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

Standard Allowance (couple) = £594.04 +
Child Element = £281.25 +
Housing Costs = £390.00
Total = £1265.29 is the max UC that Lyra could receiveIncome from Student Finance (Loan) = £9203 per year
Divided by 10 Assessment Periods (Sept to June) = £920.30
Minus £110 Student Loan Disregard = £810.30 total income from Student Loan

Income from Wages = £1203 per month
Minus Work Allowance of £292 = £911 per month
Income taper of 63% = £573.93 total income from Wages

Amount of Universal Credit payable is Maximum Universal Credit minus Total Income.
Therefore, £1265.29 – (£810.30 + £573.93) = **£ NIL Universal Credit per month**

**Lyra and her husband would not receive any Universal Credit. They would have to pay their full rent.**

**COMPARISON**

**Under both calculations, Lyra and her husband have to pay full rent – but under the existing system they at least still receive their £105 Tax Credits per week.**

**Under Universal Credit, Lyra receives nothing at all.**

**She is worse off under Universal Credit by £105 per week – which is £455 per calendar month.**