**Student Case Study: Universal Credit**

 **Padme is a full-time student, over 25 years of age. She is married and has two children.
Her husband works 35 hours per week for £1,572 per month (salary approx £22,000 per year). They live in a private rented house in Sunderland. This is how their Universal Credit will be calculated.**

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

Standard Allowance (couple) = £617.60 +
Child Element 1 = £333.33 +
Child Element 2 = £287.92 +
Rent = £434.52
Total = **£1,673.37 is the maximum Padme could receive***The maximum Universal Credit amount is reduced by any income Padme and her husband receive. This includes her husband’s earnings and her Maintenance Loan, which are taken into account as follows.*

Income from partner’s earnings:
£1572 minus Work Allowance of £404 = £1,168
£1168 x 55% ‘earnings taper’ = **£642.40 income from wages**

Maintenance Loan = £9,978
Divided by 10 Assessment Periods (Sept to June) = £997.80 per month
Minus £110 per month Student Loan Disregard = **£887.80 Student Loan Income**

**TOTAL INCOME FOR U.C. THEREFORE IS £642.40 + £887.80 = £1,530.20**

*The amount of Universal Credit payable is the maximum Universal Credit amount minus the Income amount.*
Therefore £1,673.37 - £1,530.20 = **£143.17 per month Universal Credit**

This is payable each month for the ten month period Sept to June. For the two months over Summer, Padme’s Universal Credit should increase, as her student loan income will not be taken into account to reduce the UC benefit, so the UC would be calculated on only her husband’s income for those two months. The calculation for those two Summer months would therefore be £1,673.37 minus £642.40 so they would receive £1030.97 per month during those two months.

**This information is intended as a guide only. It is not an official DWP entitlement letter. You will need to make a claim for Universal Credit in order to receive an official letter of entitlement from DWP and for them to make payments.**