

*These notes refer to the Welfare Reform Act 2012
(c.5) which received Royal Assent on 8 March 2012*

WELFARE REFORM ACT 2012

EXPLANATORY NOTES

GLOSSARY

Part 1 – Universal credit

9. This Part of the Act contains provisions and confers regulation-making powers for an integrated working-age benefit to be called universal credit, which, depending on the claimant's circumstances, will include a standard allowance (to cover basic living costs) along with additional elements for responsibility for children or young persons, housing costs and other particular needs.
10. Universal credit will be paid to people both in and out of work, replacing working tax credit, child tax credit, housing benefit, IS, income-based JSA and income-related ESA (for details on provisions for council tax support, please see the note on section 33). It will provide support for people between 18 (or younger in certain cases) and the qualifying age for state pension credit.
11. The aim of universal credit is to smooth the transition into work by reducing the support a person receives at a consistent rate as their earnings increase.
12. The financial support provided by universal credit will be underpinned by responsibilities which claimants may be required to meet. The level of those requirements will depend on the claimant's particular circumstances.