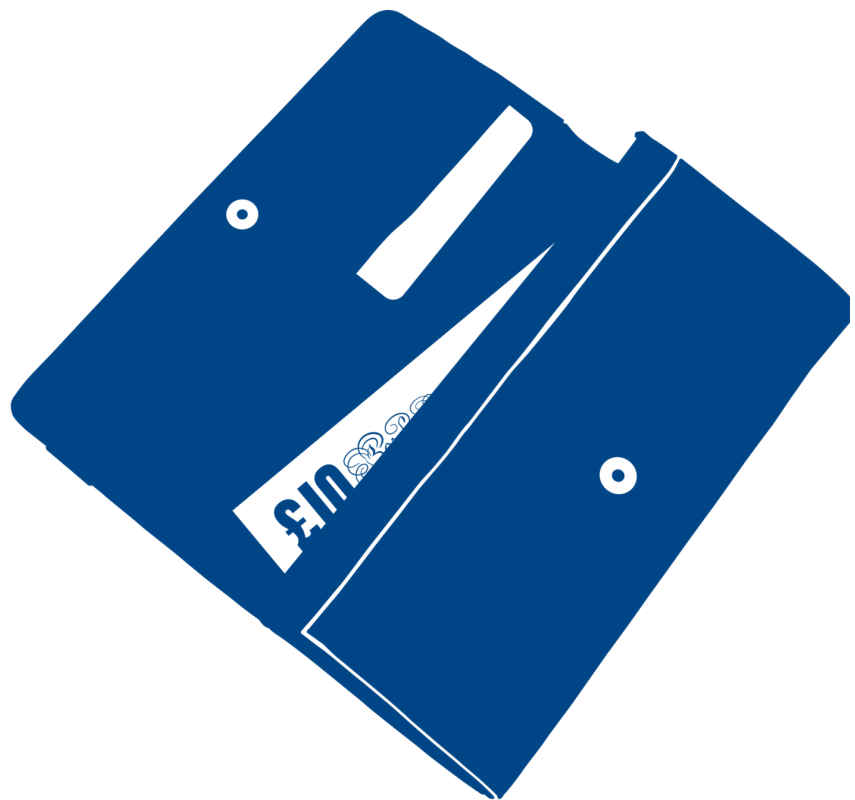


Work incentives aren't working

Is the Universal Credit
review asking the right
questions?



**citizens
advice**

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Summary

The Universal Credit (UC) system includes elements designed to encourage claimants' transition into employment. These range from measures ensuring people are financially better off (such as the taper rate and the work allowance) to penalising people for failing to take active steps towards work (conditionality and sanctions). These mechanisms cannot necessarily offset the systemic barriers to work many claimants face, but can influence decisions to look for and enter employment. This briefing outlines circumstances where those elements either do not work as well as intended, or actively hinder claimants' transition to work. It also explores some of the barriers existing beyond the benefit system and offers suggestions on how UC could respond to those. The key themes include:

1. **Taper rate and its interaction with tax liabilities.** For every pound earned, UC allowance is reduced by 55p. This allows claimants to keep some benefits when at work. However, the real income reduction is often higher than 55p as earnings trigger tax liability, alongside possible termination of Council Tax Support (CTS). Added costs of employment, such as travel, increase this reduction even further. This could be addressed through options such as: lowering the taper rate, introducing work trials, a more uniform and generous CTS and a more wide-spread use of Flexible Support Fund.
2. **Fluctuating incomes.** Pay cycles for working claimants do not always align with UC assessment periods. This can skew UC payments, because the system 'thinks' claimants earned significantly more or less than usual, even though their actual earnings stay the same. UC fluctuations are often unforeseen, which makes it stressful, difficult to budget, and can drive claimants into debt. If this happens repeatedly, it could disincentivise people from working at all. The mechanism of UC payments should be reviewed to avoid the need for a manual adjustment every time such a situation arises (although in some cases even that option is not available).
3. **The work allowances.** Claimants with childcare responsibilities and health conditions (those found to have limited capability to work) are eligible for a work allowance, which means their UC does not taper off straight away when they have earnings from work. This is important for many claimants on low incomes

and can make work a feasible option. However, our advisers expressed reservations about the rates of work allowances, which were often considered too low, and the eligibility criteria, viewed as too rigid. The exclusion of people without children and not assessed as having limited capability to work was seen as ill-judged, especially because those people receive the least financial support via UC already. A similar concern arose in relation to the distinction between those claiming housing element (with a lower allowance) and those who aren't (eligible for a higher rate). This was viewed as unfounded, especially because the housing element does not always cover claimants' whole rent payments.

4. **Conditionality and fear of losing benefits.** The pressure of conditionality, combined with poor employment support, was one of the most commonly identified barriers to work. Both the severity of sanctions and the administrative earnings threshold often can limit people's chances to find sustainable work, rather than enhance them. Conditionality decreases the trust in the system, which is key to constructive engagement. People are also worried that they might not be able to return to benefits if their job doesn't work out, or that they would be sanctioned if they decide to leave.
5. **Costs of entering the workforce.** Living on empty is a suboptimal starting point when looking for work. Lack of money for essentials shifts the focus from securing employment to everyday subsistence. There are also many costs associated with working, especially childcare and travel, which could be key factors preventing people from working.

We acknowledge that ensuring work pays off is of vital importance. However, marginally increasing the gap between income with and without earnings might have a limited impact; especially if the supply of accessible, stable jobs is low and the cost of entry is high. The language of "incentives" needs to shift towards the language of genuine support, both to make work pay and make work viable.

Acknowledgments

The author is grateful to Julia Ruddick-Trentmann, Maddy Rose, Becca Stacey, Sarah Hadfield, Kate Harrison, Simon Collerton, Victoria Anns and Craig Berry for advice and support with this paper. Thanks also to Thomas Govan, Valerie Thompson and Dinah Gilby for their insights from our local offices.

Introduction

The core aim of introducing UC was to “make it clear to people that they will be better off in work”¹. The way to achieve this was introducing a set of financial and behavioural incentives for UC claimants to undertake paid work. Although for some workers this has been a positive change, 12 years later, many people either can't find work that would make them sufficiently better off than the benefit - despite the fact that UC rates have not kept pace with the cost of living - or are anxious about entering the volatile labour market in fear of losing some form of benefits. People already in work routinely need to top up their income with UC because of low wages, the precarious nature of work for some, and high costs of living. The Minister for Social Security and Disability named “making work pay and improving work incentives” as one of the key objectives of the ongoing UC review the government is undertaking. This briefing seeks to offer a contribution to this process.

Many aspects of UC-related decisions have been framed around “removing perverse incentives” to rely on social security payments. From recent disability element cuts proposals² to lower rates of UC for under 25s³, the underlying presumption is that they would impact the *choice* to rely on welfare by making it more advantageous to move to paid employment. As explained throughout this briefing, this presumption does not reflect the complexities of participation or non-participation in the labour market.

But if we accept the policy intent to incentivise work at face value, it is clear that incentives built into the system do not always fulfil their role. Elements of UC design that were introduced to encourage people to undertake employment have flaws that can undermine their primary objectives. This briefing will look closer at these elements, focusing on:

¹ Explanatory Memorandum to Universal Credit Regulations 2013, 7.28, available [here](#).

² Impact Assessment for The Universal Credit and Personal Independence Payment Bill, May 2025, available [here](#)

³ Kit Colliver, *Incoherent and Indefensible? A Normative Analysis of Young People's Position in England's Welfare and Homelessness*, University of York, 1 April 2023, available [here](#)

- The UC taper rate and its interplay with tax and other benefits
- Monthly assessment periods
- Work Allowance
- Conditionality and Administrative Earnings Threshold (AET)

The briefing will also address wider, systemic barriers to work that impede the effectiveness of incentives. UC design too often underestimates the impact of barriers such as costs of childcare, health, or travel, a lack of employment opportunities, or caring responsibilities. People with such barriers usually need their financial situation and support network to be stable enough to try employment. Most of the people we help want to work, but find it impossible to secure - sometimes because they can't afford to adequately engage in work-search, sometimes because suitable work is simply not available where they live. Many people fear risking all the support they are getting by trying to work, either through their UC claim being closed, or by losing eligibility for passported benefits.

One of the key barriers to employment is health, but this briefing will not address it in depth. This is because its immediate purpose is to engage with the UC review, which does not extend to disability-related issues. Citizens Advice has also undertaken work specifically on the issues faced by people with health conditions, including a recent report on economic activity and health inequalities⁴.

Methodology

This work is based on data from our local Citizens Advice offices, which includes:

- The Network Panel Survey (NPS) from April 2025 covering responses from 313 advisers (Annex 1). The NPS is a monthly questionnaire disseminated to staff in our local offices across England and Wales.
- Over 300 evidence notes logged by our advisors to flag specific cases or recurring issues to policy teams. Evidence forms informed case studies

⁴ Ed Pemberton and Emily Lynn, *Economic activity and health inequalities: how labour market experiences sustain health inequalities*, 10 July 2025, Citizens Advice, available [here](#)

presented in this briefing. When additional detail or clarification was necessary, individual advisors were contacted.

- Income data from our debt clients. This has been used to simulate hypothetical earnings of people currently on UC.

The briefing also draws on previous contributions from other organisations.

The taper rate

The key measure aimed at encouraging people to work is the gradual removal of entitlement depending on earnings. For every pound earned, UC allowance is reduced by 55p. This is known as the taper rate. For some people, earnings won't reduce straight away, but only after they reach a certain threshold, called "work allowance": this will be discussed in depth in the subsequent section. The UC taper technically makes work a more attractive option than relying solely on UC. However, the rate of 55% is to some extent illusory. UC claimants often face a higher reduction than 55p per £1 earned, as when earnings reach a certain level, they start paying income tax and National Insurance (NI) contributions. This means that deductions from their income are higher than 55p and does not reflect other costs of employment, such as clothing, travel, IT and childcare.

Financial Fairness Trust estimated that deductions higher than 55p per £1 affect 40% of UC Claimants⁵. When other costs of employment are added, the actual financial benefit from working is often negligible, or even non-existent.

According to Resolution Foundation's estimates, although a model household on UC will have a marginal deduction rate (MDR; this means the proportion of their income lost for each additional pound earned) of 55%, for those earning above the tax threshold, this could rise to 68%⁶. While UC has managed to reduce the number of those with MDRs above 70%, it has also increased the pool of claimants whose MDRs are over 50%⁷.

The taper rate is also increased by the removal of Council Tax Support (CTS) triggered by extra earnings. The extent to which this happens depends on claimants' geographical location, as every council establishes its own CTS scheme.⁸ Our advisers have seen people who were worried about seeking

⁵ Dr Becky Milne and Professor Ashwin Kumar, *Work incentives in the tax and benefit system*, Financial Fairness Trust, December 2024, available [here](#)

⁶ This does not take into account any Council Tax changes or any work allowances available, both of which will be discussed below.

⁷ Alex Clegg, Resolution Foundation, *In credit? Assessing where Universal Credit's long roll-out has left the benefit system and the country*, April 2024, available [here](#).

⁸ Maddy Rose, *Council Tax Support? A benefit determined by postcode not need*, Citizens Advice, 4 April 2024, available [here](#)

employment because of the possibility of losing CTS combined with the lower UC amount. One of our advisers noted that while the taper rate is relatively easy for claimants to understand, CTS calculations are *“so complex and localised that it is hard to reassure clients that working is a good thing”*. Another adviser said that some schemes are so complicated that they find it difficult to reassure claimants about the amount they would need to pay when in work.

Isla* is in her 60s and her most recent work was organised through an employment agency, but the hours available suddenly disappeared. She came to our office about a UC sanction and cost of living support, including a food bank voucher. Our adviser told her that even with the DWP repaying the amounts she lost due to the sanction, this would not stabilise her situation over a long period of time. They suggested that part-time or full-time work would be the best option for her, but Isla questioned whether she would be sufficiently better off working, as her UC would go down and her Council Tax liability would go up. Our adviser explained how the taper rate worked and the difference between UC and the legacy system.

*All names have been changed

In principle, the UC taper is a fair mechanism - it prevents cliff edges and allows claimants to keep some entitlement. However, for people on low incomes, still having a large portion of their entitlement cut is a considerable burden. It means that any overtime/extra work done in an assessment period will carry less weight - making claimants effectively work for 45% of their hourly rate or less. The DWP's recent research indicated that people sometimes view the taper rate as a “penalty” for work⁹.

Our advisors also report that people often assume they would not be better off at work, even if they have not made a calculation. They also mentioned the general lack of clarity and awareness of the UC taper and work allowance. 78% of our surveyed advisers said they supported someone who worried about being worse off in work, with 31% of advisers identifying it as a common concern among their clients. This mirrors recent research from the DWP, which found that claimants who were not working tended to lack awareness of the taper rate,

⁹ Understanding the Behavioural Response to the Universal Credit support offer, 24 April 2025, available [here](#)

work allowance, UC childcare support or the Access to Work scheme for disabled people¹⁰.

"Claimants need to benefit more by going to work. A more gradual loss of benefits. People need lots of encouragement to go to work - the longer someone is unemployed the less likely they are to find work and they lose their self confidence. People need to see that people who go to work are better off than they are". - Citizens Advice adviser

Many advisers thought that it would be a good idea to introduce some kind of transitional period, in which claimants can get used to work without the added pressure of starting a job with no financial cushion. Entering employment could then be an opportunity to pay off debts or start saving, instead of constantly catching up with basic expenses. This type of breathing space would ensure some level of financial stability in this key phase and provide protection if it didn't work out. After such a transitional time, UC would gradually taper off.

"[There is a need to transform] the benefits system from a source of anxiety into a catalyst for empowerment. Central to this transformation is the establishment of a robust and extended "trial period" for employment, fortified by an unshakeable safety net." - Citizens Advice adviser

We recognise of course that such policies would have fiscal implications - but if they ultimately lead to people finding sustainable work, they can reduce overall spending while better supporting people on UC.

¹⁰ Understanding the Behavioural Response to the Universal Credit support offer, updated 24 April 2025, available [here](#)

Impact of earnings on overall income: a case study

Nigel* lost his job and continued to be unemployed for over a year. Despite seeking employment, he has not been able to find anything in his line of work and lost a lot of confidence in his ability to interview well. He was referred to Citizens Advice through an employment support outreach service in relation to his debts which he had accumulated after losing his job.

Our adviser made him aware about the taper rate, but the impact of losing CTS and a significant proportion of his benefits made him feel that work on National Living Wage (NLW) would not be worth it and decided to continue looking in his sector for the time being where he felt he had potential to earn a higher wage.¹¹

* All names have been changed

Figure 1 (page below) shows how earnings on NLW would impact Nigel's monthly earnings. Nigel's MDR will likely be 70% when working full time at NLW. This means that he would only be able to keep £0.30 for every £1 he earns, rather than £0.45 resulting from the 55% taper rate. If we add travel costs reflecting bus rates in Nigel's local area, his MDR goes up to 75%, which means he is only 25p better off for every pound earned. This excludes any student loans he might be repaying, or any additional costs of employment (such as clothing or equipment).

Figure 2 shows the breakdown of work-related deductions depending on hours worked. CTS tapers off straight away, and will run until working for around 24 hours at NLW. At that point, Nigel will need to pay full Council Tax and will start paying NI and Income Tax as well.

Figure 3 shows the proportion of every £1 earned that Nigel will be able to keep in scenarios where he needs to commute to work and when he doesn't.

¹¹ It is worth noting that at the time of this advice being given, the current rate of the National Living Wage (NLW) had not yet been increased in line with the 2024 budget. This means that Nigel's decision on widening work search could have been different now. The fuller explanation of the methodology for the case study can be found in Annex 2.

Figure 1: Impact of monthly earnings on Nigel's net income

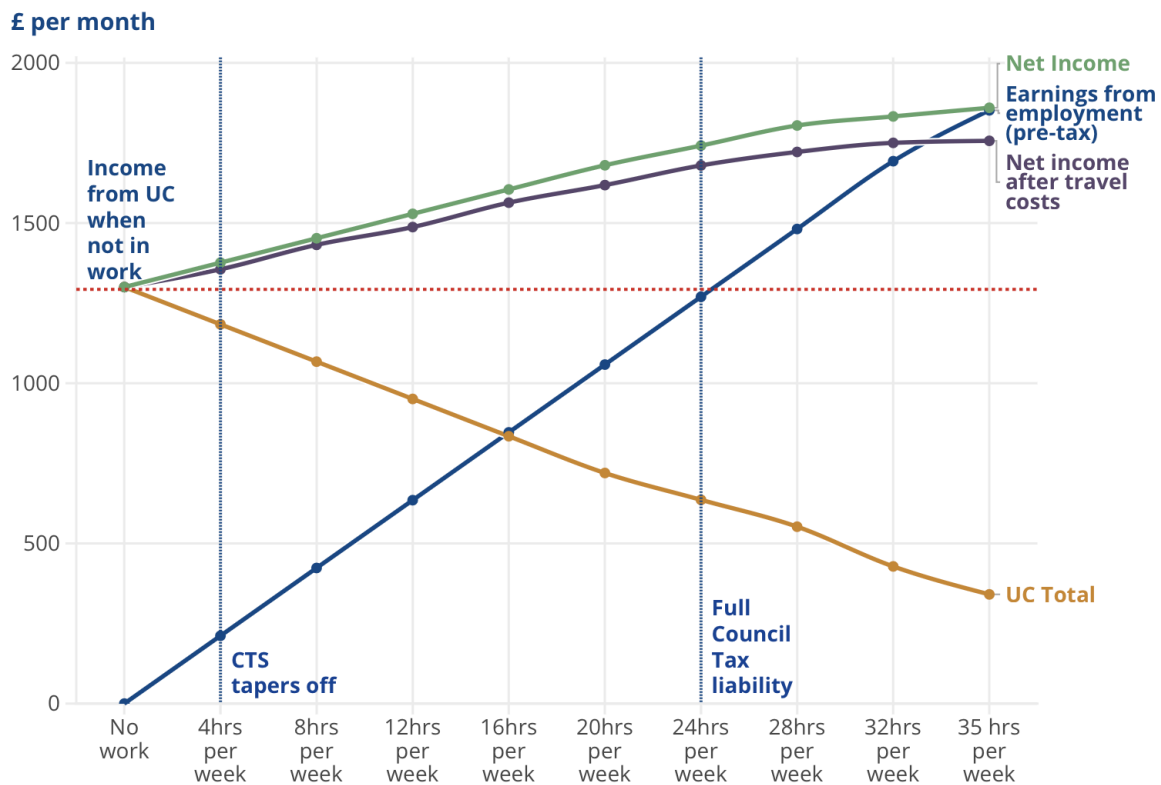


Figure 2: Nigel's work-related deductions at different hours of work

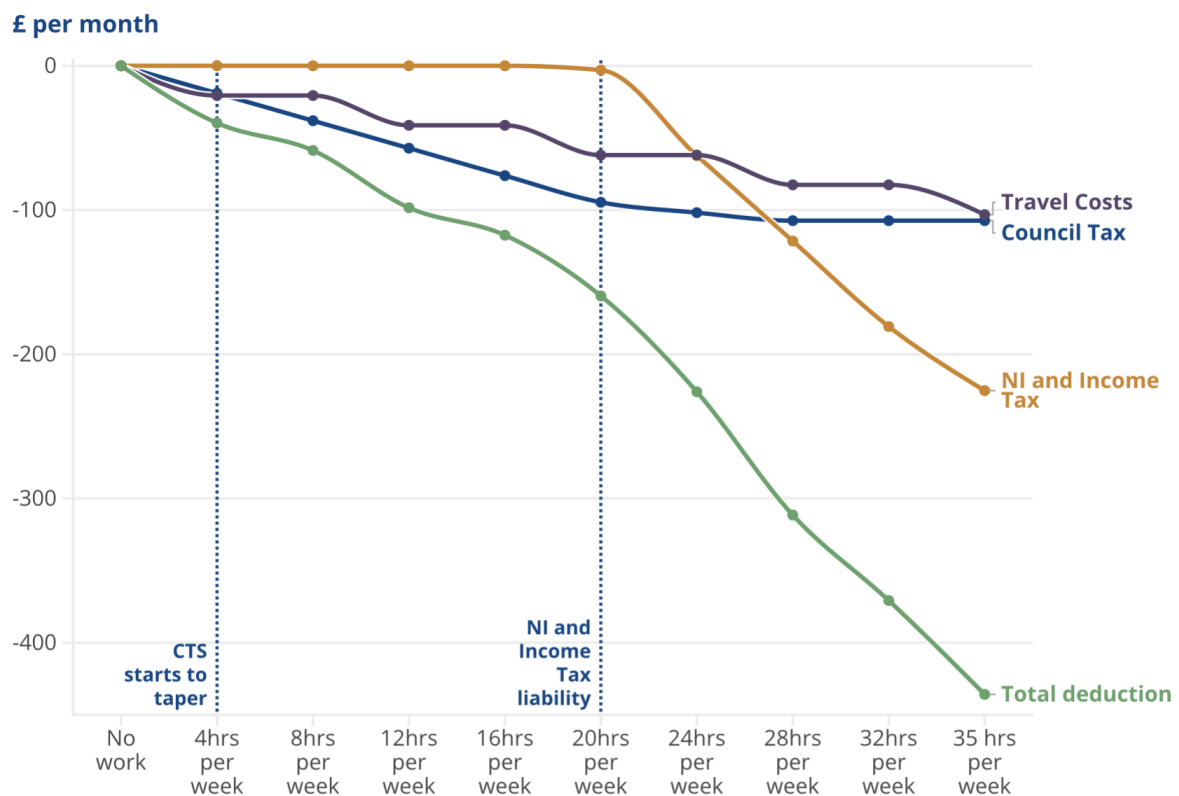
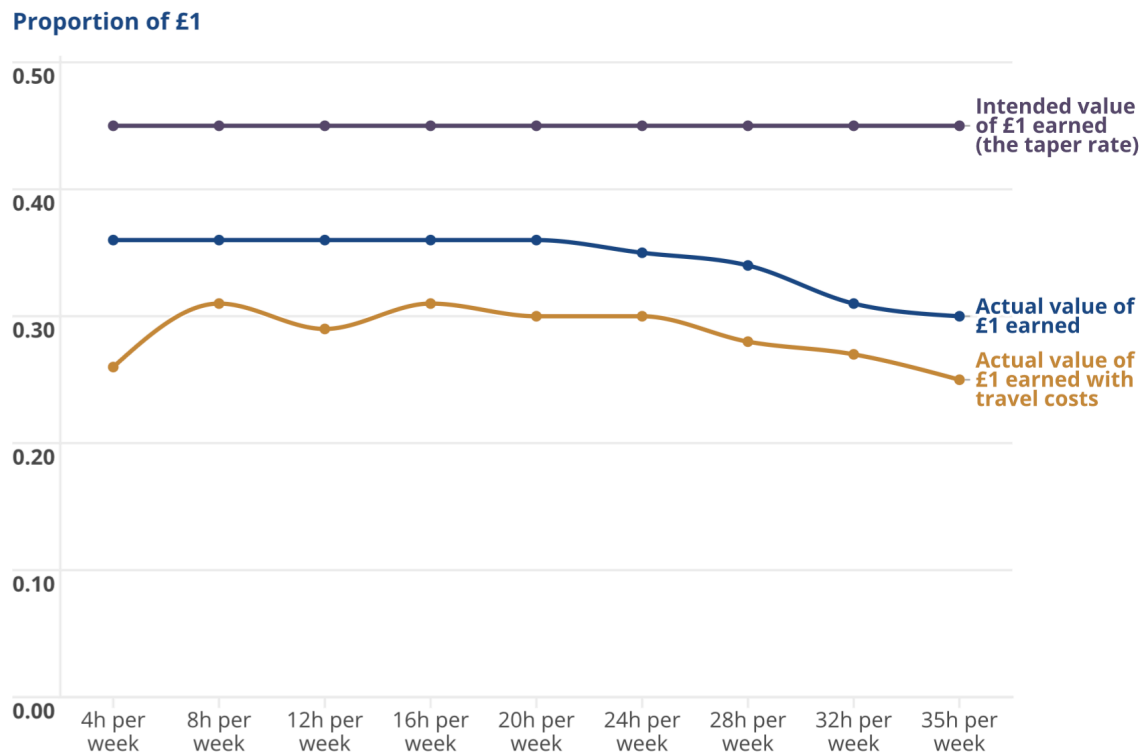


Figure 3: Actual value of each pound earned by Nigel at different hours per week of work



With deductions taken into account, the difference between working full-time and not working at all will be £559.67 per month (£456.47 if costs of travel are included). This is undoubtedly a significant amount for those on low incomes. But on the other hand, the added value of every hour worked would only be £3.69 (or £3.01 with travel costs).

Fluctuating income: volatility of earnings and UC assessment periods

The volatility of earnings and UC's inability to adjust is a significant problem for people combining UC and work, or seeking to move from the former to the latter. Many low-paid workers need to carefully balance their earnings and income from UC to be able to stay on top of their finances. This is harder when on a fluctuating income, or when payment cycles from work do not align with assessment periods on UC. 64% of our surveyed advisors think the unpredictability of UC payments if income fluctuates is a significant disincentive to work.

Rosa* gets paid on the last working day of every month, but her assessment period runs from 28th to 27th of every month. Because of this, there are some months where she is paid twice in a single assessment period, and some where she is not paid at all. This significantly reduces Rosa's UC award which should include the housing element and child elements.

At the time when she came to our office, Rosa couldn't pay her childminder and worried that their services would be stopped due to non-payment. She said this could have a knock-on effect on her job, as in order to be able to work, she needs her children to be taken care of. Our adviser told her she could request a mandatory reconsideration regarding the payment date and provided an appropriate template (Rosa has previously tried to flag the issue on her UC journal). This would need to be done every time this situation repeats and it might take a long time to be considered.

* All names have been changed

Legislation¹² has been introduced to allow claimants paid monthly to adjust the UC payment date to their earnings pattern, but our data suggests that it does not always happen in practice. The need to proactively request payment adjustments each time a situation like this arises is also problematic. One of our advisers noted that:

¹² The Universal Credit (Earned Income) Amendment [Regulations](#) 2020

"Relying on manual adjustment (with the risk of human error) to deal with this problem is madness - not only the administrative burden it puts on UC workers but on the confusion from claimants who need to be so much more careful with their claims than fellow claimants who happened to claim on a more suitable date" - Citizens Advice adviser

Below is the distribution of payday across the assessment periods for someone paid on the 23rd every month. In months where the 23rd falls on the weekend, payment could be made on the 21st, which means the window between paydays is longer and may encompass the whole assessment period. For example, November pay day in 2025 in this scenario would fall on the 21st, which gets caught up in the previous assessment period resulting in differing awards.

AP*	22.12-21.01	22.01-21.02	22.02-21.03	22.03-21.04	22.04-21.05	22.05-21.06
Paydays in AP	1	2	1	0	1	1
AP*	22.06-21.07	22.07-21.08	22.08-21.09	22.09-21.10	22.10-21.11	22.11- 21.12
Paydays in AP	1	1	1	1	2	0

* UC assessment period

For someone with two children, working for 30 hours each week earning NLW, receiving a housing element payment of £900 and entitled to a work allowance¹³ of £411, this would mean the following UC distribution:

AP*	22.12-21.01	22.01-21.02	22.02-21.03	22.03-21.04	22.04-21.05	22.05-21.06
UC entitlement	£1,368.06	£578.11	£1368.06	£1931.95	£1368.06	£1368.06
AP*	22.06-21.07	22.07-21.08	22.08-21.09	22.09-21.10	22.10-21.11	22.11- 21.12
UC entitlement	£1368.06	£1368.06	£1368.06	£1368.06	£578.11	£1931.95

For someone who's paid every 4 weeks, there would be no sudden soars of UC when they receive no pay in an assessment period. But they can get paid twice, which then significantly reduces their UC award in the month affected.

¹³ Explained in depth in the next section

The ability to adjust payments granted by the aforementioned legislation does not cover those paid 4-weekly or fortnightly, so those claimants have no means of redress if they get a reduced award in similar circumstances.

Grace and Matthew* recently got married and have one child. They work 20 hours and 12-15 hours per week respectively. They both get paid 4-weekly, which means sometimes their UC award gets reduced. For example, when they came to see our adviser, their award was about to drop from £900 to £100. When this happens, they struggle to pay the utility bills and food. They have been referred to Citizens Advice by the Jobcentre, after their request for a budgeting advance was refused due to their income not meeting the threshold. Our adviser helped them to access a food bank.

*All names have been changed

"It is particularly difficult for households who constantly manage on very little money to be able to anticipate and manage ahead for big fluctuations in [their] benefit income." - Citizens Advice adviser

Fluctuating UC and work

Unpredictable UC payments make budgeting harder and can create anxiety among claimants. Claimants can feel disheartened and deprived of control over their income. It has previously been noted that the taper rate does not necessarily mean people who work hard would be significantly better off, as other liabilities arise. If, on top of that, UC payments are abruptly reduced, it can reasonably lead claimants to question whether employment is worth the impact on their lives.

"She [Citizens Advice client] feels it is unbelievable that this [two monthly wages being paid in one AP] continues to be allowed to happen and does not appear to be being addressed. Far from 'making work pay'. It feels to her like a significant disincentive to claimants to take on paid work at all." - Citizens Advice adviser

A similar mechanism applies to self-employed claimants, who are also subject to the Minimum Income Floor (MIF). This means that the UC system will normally assume that they have earnings at a certain pre-set threshold, even if they earn below this threshold in practice. This is a complex issue and will be addressed separately in upcoming Citizens Advice publications. It is, however, worth noting that over a half of our surveyed advisers considered MIF and rules for self-employed a significant disincentive to work.

The work allowance

For many people claiming UC, entitlement tapers off as soon as they start to earn money from employment. However, some claimants are eligible for a work allowance, which is an amount of earnings some UC claimants can keep before their UC payment is tapered away. It has recently been uprated to £684 per month for those not claiming the housing element of UC or £411 per month for those who do claim the housing element.

Eligibility for the work allowance currently depends on caring for children, or being disabled and being assessed as having “limited capability for work” (LCW) or “limited capability for work or work-related activity” (LCWRA). Although we know that these groups usually face the most complex barriers to employment, expanding eligibility to all claimants is likely to have a positive impact on transition to work. The overall UC entitlements for people without children and those who do not qualify for LCWRA are, on average, smaller. This means the impact of work on their entitlement is relatively higher, as they lose a higher proportion of overall entitlements.

“Give a small work allowance to clients who are not disabled and don’t have children, because the clients who are struggling the most are the single adults who live alone. We see single adult jobseekers who are forced to live in HMO [home of multiple occupation] accommodation despite being in their forties or fifties or sixties, simply because UC isn’t enough to afford bills in single occupancy accommodation.” -
Citizens Advice

Peter* is in his fifties, working just over 20 hours a week in a manual job. As a single person, living alone without any dependent children and no disabilities, he is not eligible for a work allowance. This means that all of his earnings are taken into account when his UC award is calculated. With a low income and minimal support from UC, Peter is struggling with the increased cost of living and is accruing Council Tax arrears. Our advisers supported him with food bank vouchers and debt management advice.

*All names have been changed

"The amount of earnings that is allowed for single people needs reviewing as with the increased cost of living those on low incomes no longer earn enough to manage." -
Citizens Advice adviser

35% of our surveyed advisors think that the work allowance works well as encouragement to undertake work (for those who are eligible), while 17% disagree. Just under a half said they did not know. Concerningly, we have seen people who had not had their work allowance applied despite being eligible, with this sometimes being spotted accidentally when they came for advice. Such poor administration can later contribute to the fear people feel when they consider working alongside UC.

With the upcoming reforms to the Work Capability Assessment (WCA),¹⁴ it is crucial that people who are currently awarded a work allowance under LCW/LCWRA continue to receive it. But with more people potentially ineligible for the UC health element, there needs to be an expansion of eligibility so people can be assured that they can work without the risk of losing out. The work allowance is a core measure which has a potential of easing up the stress of additional costs of employment. It means that people can go to work safely, without worrying that they risk their finances and health when doing so. We recognise this policy would have a cost to government - but this should be weighed carefully against the value of encouraging more people to find and maintain employment.

"[There is an] instant loss of 55p for every £1 earned. With rising costs, people need the extra support from UC, but with no work allowance, almost all UC is taken away."
- Citizens Advice adviser

A particular problem arises when claimants' children undertake apprenticeships and both the child element and the work allowance is lost. This means that families might lose a significant proportion of their income - despite still caring for a young person and maintaining most of the same financial responsibilities. In comparison, when a young person is in education, their parents can keep the child element (and work allowance attached to it) - even if that person

¹⁴ From 2028/2029, the Work Capability Assessment that currently determines eligibility for LCW/LCWRA will be scrapped. The new health element of UC will likely be dependent on PIP.

undertakes a weekend or evening job¹⁵. Worryingly, this could not only discourage a parent to work, but also prevent children from undertaking such apprenticeships. One of our advisors described this situation as *“trapping people in poverty [across] the generations”*.

Carol* is in her thirties and has a teenage son. She has health issues and claims PIP but is also able to work part-time which brings just over £1000 a month. Her son secured an apprenticeship, which would result in her work allowance and UC child element disappearing, leaving her around £650¹⁶ worse off. According to our adviser’s analysis Carol’s son’s earnings would not make up for the lost income. Carol was already in financial difficulties, before the change of circumstances.

*All names have been changed

For couples claiming UC, only one is allowed to use the work allowance. Some of our advisers suggested this represents a disincentive for the other partner to work. This is particularly concerning given that second earners tend to be women. Providing an additional work allowance to second earners could bring more women into employment and ensure their work is valued equally.

“I would award double work allowance if client and partner were both working” -
Citizens Advice adviser

A similar issue reported by our advisors arises when parents split up and UC only “recognises” one of them as a recipient of the child element. This means that, even in case of shared custody, only one parent would be eligible for the work allowance despite maintaining a significant proportion of parental responsibilities.

¹⁵ Professor Matt Padley, Youth Futures Foundation, *Apprenticeships, Child Benefit and Universal Credit*, November 2024, available [here](#).

¹⁶ This figure is based on the adviser’s estimations at the time.

Conditionality and the administrative earnings threshold

Conditionality is a set of requirements devised to improve the chances of getting paid employment. Requirements depend on individual claimant commitments and usually include searching for work and attending fortnightly meetings in Jobcentres. If claimants are deemed not to have met the requirements, they can be referred for a sanction. If a sanction is applied, the UC standard allowance is normally reduced by 100% (until compliance or for a specified period of time). This behavioural mechanism is intended to encourage people to take steps to find a job.

There is currently little evidence that sanctions result in more people joining the workforce. The DWP's own report from 2023 concluded that "a sanction leads the average claimant to exit less quickly into PAYE earnings and to earn less upon exiting."¹⁷ Other research has suggested that when short-term employment outcomes do occur as a result of conditionality, high severity of sanctions is not needed to achieve that¹⁸. This means that even on the assumption that sanctions in principle motivate people to work, the current system is unduly harsh.

The UC review should consider the negative impact that sanctions can have on employability. People who are pushed towards destitution, homelessness and mental or physical health problems as a result of sanctions are less likely to find the strength or necessary resources to look for work. Similarly, people who are pressured into any job might form negative associations with the labour market, instead of identifying opportunities to upskill and take on work. If the job is unsuitable, they can also struggle to perform it sustainably. This is why the current operation of conditionality might undermine its primary aim. Although the government has recently announced a very welcome move away from the

¹⁷ The Impact of Benefit Sanctions on Employment Outcomes, published by the DWP on 6 April 2023, available [here](#).

¹⁸ Evan Williams, *Punitive welfare reform and claimant mental health: The impact of benefit sanctions on anxiety and depression*, Soc Policy Adm. 2021; 55: 157–172, available [here](#).

“any job” paradigm, without rethinking how sanctions are used, this risks being a vague ambition with limited impact.

“...at the moment the threat of being sanctioned means that people are too scared to engage fully in a job search” - Citizens Advice adviser

Our advisors have mentioned that possible sanctions for leaving unsuitable employment act as a disincentive for claimants to try working. Although, currently, a small percentage (1.4%) of sanctions are actually applied for leaving employment¹⁹, the prospect of this happening discourages claimants from going through recruitment processes or accepting job offers.

In general, the role of conditionality and sanctions in incentivising work has to be placed in a wider labour market context. The number of vacancies in the UK economy fell in April-June 2025 for the 36th consecutive quarter²⁰, and there has been a rise in precarious employment²¹. Many of our clients come to us on a negative budget, trying desperately to find suitable employment but being unable to do so for months, and sometimes years. Similarly, many people working full-time experience in-work poverty and need to juggle household and professional responsibilities with limited financial gain²².

The government is right to seek to strengthen workers’ rights, and increase the NLW. Nevertheless, the topic of incentives needs to be approached sensitively. Work-search requirements, as well as repercussions for non-engagement, need to be adjusted to fit a challenging labour market environment. Focus needs to be placed on upskilling and promoting jobs where there are opportunities to progress. People getting stuck in cycles of receiving benefits and undertaking unsustainable employment is not good for the individuals affected or the wider economy.

Administrative earnings threshold

¹⁹ Data from November 2023 to October 2024, available [here](#)

²⁰ ONS data on vacancies is available [here](#).

²¹ TUC, ‘Number of people in insecure work reaches record 4.1 million’, 12 June 2024, available [here](#).

²² ‘The Hidden Crisis of In-Work Poverty - A Frontline Perspective’, St Vincent de Paul Society (England and Wales), May 2025, available [here](#).

Unlike legacy benefits, UC also applies conditionality to claimants already in work. Work-search requirements apply to everyone who earns below the administrative earnings threshold (AET). This is currently set at the equivalent to 18 hours per week on National Living Wage for single claimants and 29 for couples, raised from 15 and 24 hours respectively following the 2023 Budget. The result has been increasing the number of claimants in the “Intensive Work Search” conditionality group, required to regularly see a work coach at risk of sanctions. The goal was to help people *“grow their earnings at a time of cost-of-living pressures, large labour force vacancies and high levels of economic inactivity”*²³.

However, many people visiting our offices feel that the rise of AET endangers their existing employment: for some people, mandatory Jobcentre appointments clash with their working hours,²⁴ others find it difficult to manage the logistics of maintaining two positions at the same time. Increasing hours in their current employment is often not an option because of claimants’ individual circumstances (like health conditions or caring responsibilities) or employers’ preferences. This means the requirement to work an extra few hours a week ends up being disproportionately difficult, with all negative aspects of conditionality added on top of it.

Additionally, a high AET might counter-intuitively result in lower employment outcomes and higher costs for the DWP. We see people coming to us after being notified they would need to look for more work. Previously, they would work just above the threshold, which was the maximum they could do, usually due to a health condition. Being pressured to work beyond their abilities can then lead to an application for the UC health element (initiated either by a work coach or the claimant themselves). This could then result in an increased UC award, rather than maximising income from employment²⁵.

²³ The equality assessment of AET increase, published 17 April 2023, available [here](#)

²⁴ Although in principle Jobcentre appointments can be rearranged in these circumstances, this option is not always available - either due to difficulties contacting Jobcentres or work coaches exercising their discretion. More information on this can be found in [this](#) report by Kate Harrison and Jagna Olejniczak.

²⁵ This concern was mentioned in the DWP’s own study (available [here](#)) exploring the impact of AET on claimants just above and just below.

Fear of losing benefits

In addition to facing added costs of employment, claimants also fear potential consequences if they need to leave work. UC accounts are closed automatically when people receive a nil award for over 6 months²⁶. This means that if someone maintains work for longer than this but then needs to leave they would need to reapply for UC. This entails waiting five weeks for their first payment and, potentially, the need to take an advance loan (possibly for the second time). This would later be deducted from the subsequent UC payments²⁷.

Even if people leave work before the 6 month period, and their claim stays open, they might not get their UC payment quickly enough. This is because when employment ends and the last pay falls at the beginning of the assessment period, UC will still take into account that payment. This will often result in a nil award, which effectively means the affected claimants might receive no income in 2 months.

Bethany* receives UC and looks for work. She has a history of poor mental health, including hospital admissions. With help from her local Jobcentre, she took on a job as a labourer, which she enjoyed. She was not informed that the position was temporary and was laid off shortly after. Her next UC payment was a nil award. Bethany had no money left for the essentials until the next payment, so she requested a budgeting advance through her UC Journal, but was not given one. Our advisor helped her apply for a Household Support Fund and to request a food parcel.

Around a year earlier, Bethany had experienced a similar situation where her UC payments stopped for two months after taking on a temporary role. She reported that the Jobcentre pressured her to take on temporary positions, despite routinely falling into financial difficulties as a result.

*All names have been changed

²⁶ The DWP guidance on claim closure is available [here](#)

²⁷ More information on the operation UC deductions can be found in [this](#) report by Julia Ruddick-Trentmann and Craig Berry.

Bethany is an example of someone trying to “do the right thing”, but the shortcomings of the system mean that she lives with a constant worry about making ends meet. This shapes her appraisal of employment opportunities in a way that is counter-productive. To address that, the system should provide people in such situations with sufficient financial cushion, so they feel confident when trying to work again.

But even if people don't have a specific worry about their entitlement, advisers point to a wider, more complex issue of the underlying skepticism about UC administration. People are worried that the moment they interfere with their low, yet relatively stable, entitlement, they would need to go through an administrative battle if they need to claim again or if something goes wrong. The trust in the system is so low that even if employment options might technically be there, some prefer not to risk it.

“The main problem with the system is that it is shrouded in mystery and the DWP's constant failings in correct case administration sows fear into the minds of already vulnerable people. A large number of my clients are terrified of doing anything which would change their UC entitlement because they have heard stories from others about poor claim administration and don't want to upset the apple cart.” - Citizens Advice adviser

Free prescriptions

Some Universal Credit claimants are entitled to free NHS prescriptions. The eligibility threshold is earning £435 per month, or £935 if UC includes the child or health elements. For those with long-term health conditions, the fear of losing such support could be a significant factor when considering work. The narrow eligibility rules are particularly problematic for people who move to UC from other benefits.

One of our clients has recently moved to UC from Disability Living Allowance and will not be eligible for free prescriptions until the WCA determines his entitlement. He currently earns between £435 and £935 per month. Another person we helped had received free prescriptions before moving on to UC, but she has recently received a letter informing her that she owed £150 for prescriptions received after migrating as she earns more than £935.

For this group, going to work or increasing one's earnings can not only bring financial losses, but also jeopardise their health. People who work despite having medical problems cannot be made worse off because of it and effort needs to be done to expand free prescriptions eligibility. This involves people who do not meet the LCW/LCWRA threshold.

Eleanor* is in her late 50s and works part-time. She is a carer for her mother and has her own health problems. She came to us querying a recent charge for dental care, as she thought she had been eligible for free treatment. It turned out she was slightly over the £435 limit and had to pay £25 for the treatment, together with a £100 penalty charge. Our adviser told her she could appeal the charge but she decided not to. We also helped her apply for the NHS low income scheme, which operates in addition to free prescriptions. Eleanor now feels deterred from working more hours as she's afraid of medical costs in the future.

*All names have been changed

Childcare and other costs

Childcare

UC can cover up to 85% of childcare costs, which is refunded after providing proof of payment. Sometimes, the remaining 15% can also be provided upfront through the Flexible Support Fund (FSF)²⁸. 57% of advisers surveyed in April agreed that despite these options being available, childcare remains a significant barrier to work²⁹. It was also one of the most frequently mentioned issues in open text questions regarding barriers to work.

This is for a variety of reasons. Firstly, many parents struggle with paying for childcare upfront, even if they are being reimbursed for it³⁰. Secondly, the remaining 15% might still be unaffordable for those on lower income. The average cost of childcare for a child under two in the UK is £157.68 a week part-time (i.e., 25 hours), which is equivalent to £683.28 per month³¹. This means a parent working part time would still need to pay £102.49 a month per child. The caps on the maximum amount that can be reimbursed are the same across the country, even though the costs might be higher depending on location. For example, nursery fees in London range from £1,500 to £2,500 per month for full-time care³², while the cap is set at £1,031.88 for one child. This means, those working full-time in those areas, might need to cover more than 15%.

²⁸FSF is a discretionary scheme administered by Jobcentres, helping people cover their work-search costs. Childcare can be covered by FSF, only when it relates to additional hours, rather than those already paid for in part by UC. According to the DWP [guidance](#), “care should be taken to ensure FSF is not used to pay for the remaining 15% of Universal Credit childcare costs (...)”

²⁹ With 40% seeing it as “very significant”.

³⁰ The process of requesting reimbursement itself is complicated and can take a long time to get processed. See Dr Marsha Wood, Dr Rita Griffiths and Professor Nick Pearce, *A big, vast, grey area: Exploring the lived experiences of childcare for parents on Universal Credit*, February 2025, IPR, available [here](#).

³¹ Coram, Childcare Survey 2024, available [here](#)

³² *Nursery Prices in London: What to Expect in 2025*, article by Hatching Dragons, an organisation providing early years education in the UK, available [here](#). According to the Coram [Childcare Survey](#), “the highest price for 25 hours of nursery childcare for those aged under two (Inner London, £218.49) is 69% higher than the lowest price (East Midlands, £129.04)”.

If a single parent of two living in Outer North East London claiming £2281.95 (£400.14 standard allowance, £631.81 child element, and £1250 housing element for a two bedroom flat) took up part-time on NLW (20h per week), then they would take home an additional £702.24³³. £204.98 from that would need to go on childcare, leaving her with an extra £497. If they needed to commute by bus twice a day, three days a week, they would face an extra cost of £45.50 per month. This all means that the actual take home value of one hour of employment would be £5.21. This all assumes that they could find work accessible by bus, that childcare is within walking distance, and that they do not need to cover any extra expenses associated with work (e.g. new clothes), and that they will not need to change their food spending (e.g. paying for lunches at work). Although the work allowance is of assistance here, the remaining childcare costs significantly detract from the financial benefits of work.

"I firmly believe that making the childcare costs element of UC more accessible, and less prescriptive, would incentivise people to work more. As it stands, claimants can't easily rely on the system and tight deadlines to report childcare costs, and are less likely to work safely in the knowledge that their childcare costs will be covered." -

Citizens Advice adviser

Alice* is a single mum in her 20s working part-time. Due to low income, she struggled to pay the nursery fees not reimbursed by UC and applied for the FSF to settle the outstanding balance. This was approved but never paid due to an administrative oversight: interest was accrued and Alice had bailiffs at her door. With our advisers' help, she received an apology from DWP and the original FSF award, but no money for the interest, nor court fees accrued at that stage.

As Alice was trying to resolve this, her Jobcentre was pushing her to increase her hours at work. This was impossible as, due to the FSF not being paid, her daughter could not attend nursery so Alice needed to take care of her. Alice also struggled to pay bus fares to the Jobcentre appointments that she was still required to attend.

*All names have been changed

³³ She could keep £411 of that as work allowance, so UC would get reduced by £355.96. Her earnings would be 1058.2, so the difference between work and no work would be 702.24. This is disregarding tax, but tax here would be miniscule.

A particular point has been made by one of the advisers about parents weighing up the benefits from employment against spending additional time with children. If the financial gain from (often intense) work is negligible, parents might decide that the value of being more present for their children's development might be higher. This is especially the case when childcare costs eat up a considerable amount of their salaries.

Travel and other jobsearch costs

In general, living on empty is not a good starting point for a job search. People who need to carefully budget for every pound they spend tend to prioritise day-to-day subsistence, rather than getting into employment. The choice such claimants face is often between travelling to interviews, or being able to afford to eat or heat their home.

Emil* and his partner have been sleeping rough for 10 months after being evicted from their flat. He had an intermittent job for 2 months but had to leave because of the inability to properly wash, eat and dress. He developed mental health issues and is waiting for a medical appointment.

Emil told our adviser that he felt like he was going in circles. He couldn't work because of the limitations of living in a tent. He couldn't afford to get any housing, so remained unable to stabilise his situation and break the cycle. The low level of UC rates do not allow the couple to save money for rent payments either. Our advisers issued Emil supermarket vouchers.

*All names have been changed

Jobcentres require people to look for work within a 90 minute radius from their home³⁴. This is against the backdrop of travel prices going up³⁵ and people on UC still struggling to afford basic essentials³⁶. Although working from home is

³⁴ DWP Guidance, paragraph 132, available [here](#)

³⁵ For example, train prices in England and Wales and Transport for London [rose](#) by 4.6% at the beginning of 2025. This means that Londoners would need to pay almost £10 a day to commute to the office, if they use the tube only in the peak hours. The national bus fare cap has now been capped at £3, but [raised](#) from £2 at the end of 2024.

³⁶ According to the Joseph Rowntree Foundation, 5 in 6 households on UC routinely go without essentials (a full article available [here](#)).

increasingly more common, this is not an option for many entry-level and low-paid jobs people on UC are expected to undertake. 22% of our surveyed advisors considered high costs of travel a significant reason why some of their clients remain unemployed. Many mentioned poor availability of rural buses, which on top of being expensive, makes work logistically difficult. People with caring responsibilities or health issues might struggle to carry out such journeys, even though they are deemed fit for work by the UC system.

Jordan* had been unemployed and in receipt of UC for a while, and was eventually offered a job. Their employer requires them to attend training for the first 2 to 3 weeks in a location 100 miles from their home. The company does cover the cost of lodging and food during the training period, but cannot offer travel costs. Given Jordan is living on UC, they do not have spare money to pay for this transport, and are left with either asking their employer for a salary advance (which might not be easy given this is a new employer) or seeking support through discretionary funds. They also need to buy suitable clothing, which they don't currently have money for.

*All names have been changed

Claimants often seek employment opportunities despite adverse circumstances, but financial hardship prevents them from taking them up. In these cases, the FSF can be used by Jobcentres to support claimants with costs of jobsearch and early employment. This, however, is used inconsistently³⁷ and claimants often miss out on opportunities.

Antonio* went through a relationship breakdown and is currently living in temporary accommodation. He has had substance dependencies in the past. Antonio also suffers from extreme anxiety and has been prescribed medication. He came to see us to request a food bank voucher.

Antonio applied for UC and got an advance loan, which he used to buy clothes, as he didn't have anything suitable. He is trained as a mechanic and could have attended a recruitment event taking place 90 minutes away. But he does not have the money for the fare and was informed by the Jobcentre there was nothing they could do to help.

*All names have been changed

³⁷ More on the use of FSF in our recent report on Jobcentres, available [here](#).

Clients may not be able to make a successful transition to paid employment without getting into debt. This may act as a barrier to making that transition. - Citizens Advice Advisor.

Conclusion

The UC review is right to scrutinise the effectiveness of work incentives. This briefing has identified where incentives are not working well, or well enough. But there is a wider context that the review must take into account. Poor availability of good quality jobs is not something that UC design can easily address. But what it can do is acknowledge the current state of the employment market and adapt to it. This means realistic conditionality requirements and long-term, individual support plans allowing unemployed claimants to find fulfilling jobs.

While making work pay is necessary, the focus on financial and behavioural incentives might be too simplistic. In a system where people rely on levels of benefits that allow them to just about get by (although that's not true for everyone), systemic barriers to work are very high. These barriers are wide-ranging: starting with the lack of resources to upskill, childcare/caring responsibilities, long-term absence from the labour market, lack of accessible job opportunities, poor health, or geographical location. Inadequate income is a common denominator between these barriers.

When both working full-time and claiming maximum benefit entitlement leaves one in a low-income limbo, focusing on making the former slightly more financially beneficial than the latter is only ever going to have a limited impact on outcomes. The key is to give people enough support so they could stabilise their situation, allowing the space to think beyond getting by each day. This can be achieved by higher UC rates, less pressure from conditionality, and high-quality employment support. Lowering the taper rate and providing transitional support at the beginning of employment could also provide greater security.

The UC review needs to focus on empowering claimants, not only by improving incentives to work, but by reducing systemic barriers to work, providing specialist support based on mutual respect, and offering a genuine safety net.

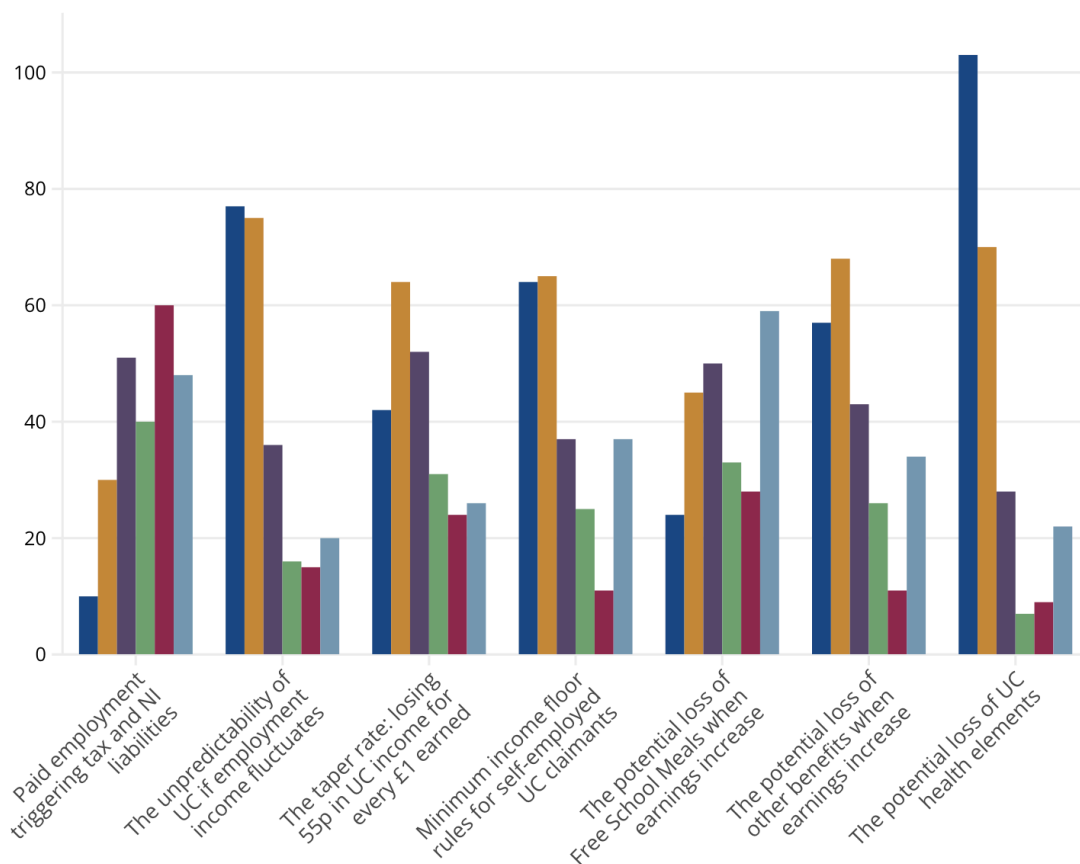
Annex: Adviser survey results

Q1. Significance of financial disincentive to undertake employment (answered: 239)

We asked our advisers to indicate how significant financial disincentives were in relation to claimants' decision to undertake employment (on a scale from 1 to 5). Most respondents pointed to the fear of losing the UC health element as the key factor, with 103 (43%) advisors considering it a "very significant disincentive". Triggering of tax liabilities was seen as the least relevant, but the taper rate itself was considered a disincentive by 106 advisors (44%).

For the out-of-work Universal Credit claimants you have advised or are aware of in the last 6 months, how significant were the following financial disincentives on the likelihood of them taking up employment?

1 = A very significant disincentive 2 3 4 5 = This is not a disincentive to any extent I don't know



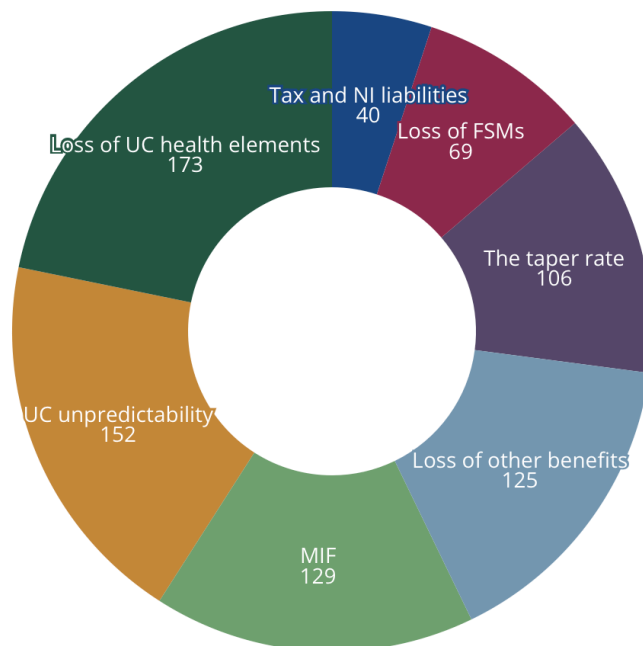
The chart below represents the number of advisors who thought a given disincentive was either “very significant” or “significant”. Loss of free school meals was considered a “significant” or “very significant” disincentive by 69 respondents (29%), but this predated the announcement that eligibility would extend to all UC households.

152 advisers (63%) considered the unpredictability of UC when income fluctuates as a significant (or very significant) barrier to work. This issue affects primarily those claimants whose paydays don’t align with the UC assessment period, and they end up with no UC in certain months, despite no actual increase in earnings. Loss of health elements was considered a significant disincentive by around 72% of respondents.

54% of respondents (129) considered Minimum Income Floor (MIF) a significant factor. This is likely because self-employed people who do not meet their earnings threshold can lose out on hundreds of pounds of support, effectively making employment financially difficult.

Significant disincentive (advisers who selected 1 or 2)

■ Tax and NI liabilities ■ UC unpredictability ■ The taper rate ■ MIF ■ Loss of FSMs ■ Loss of other benefits
■ Loss of UC health elements

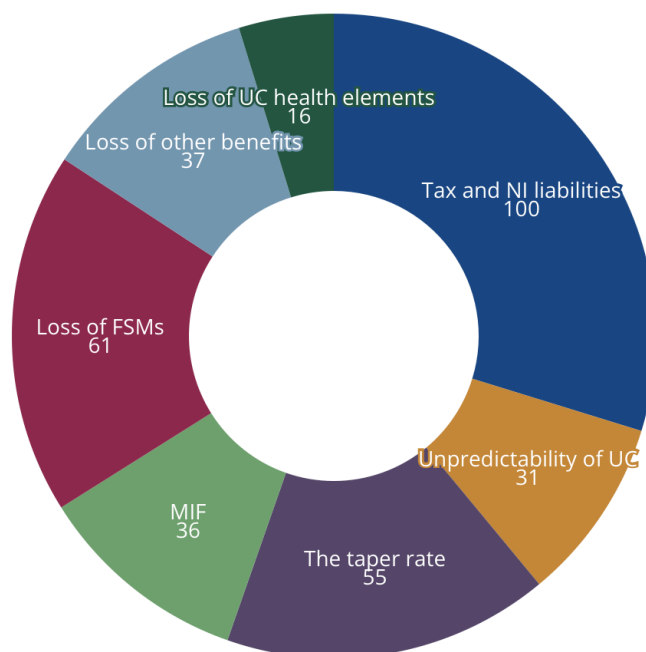


Interestingly, over 40% of our surveyed advisers thought that tax liability was not a major disincentive for claimants, compared to the similar number thinking that the taper rate itself does discourage employment.

Only 7% of respondents thought the potential loss of UC health element is not a disincentive to work. 15% thought the same about the loss of other benefits. Similarly, only 13% thought that unpredictability of UC payments does not discourage people from undertaking employment.

Not a major disincentive (advisers who selected 4 or 5)

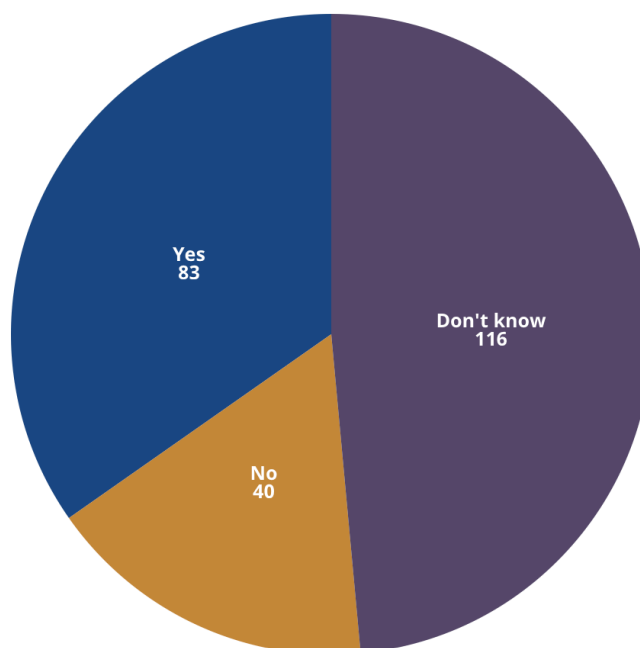
■ Tax and NI liabilities ■ Unpredictability of UC ■ The taper rate ■ MIF ■ Loss of FSMs ■ Loss of other benefits ■ Loss of UC health elements



Q2. Work allowance (answered: 239)

Many advisers said they didn't know whether the work allowance was an effective measure. Of those who did take a stance, 67% believed that the work allowance stimulates employment for those eligible.

Does work allowance work well as an encouragement to undertake work, for those who are eligible?



Q3. Fears of work not paying off (answered: 254)

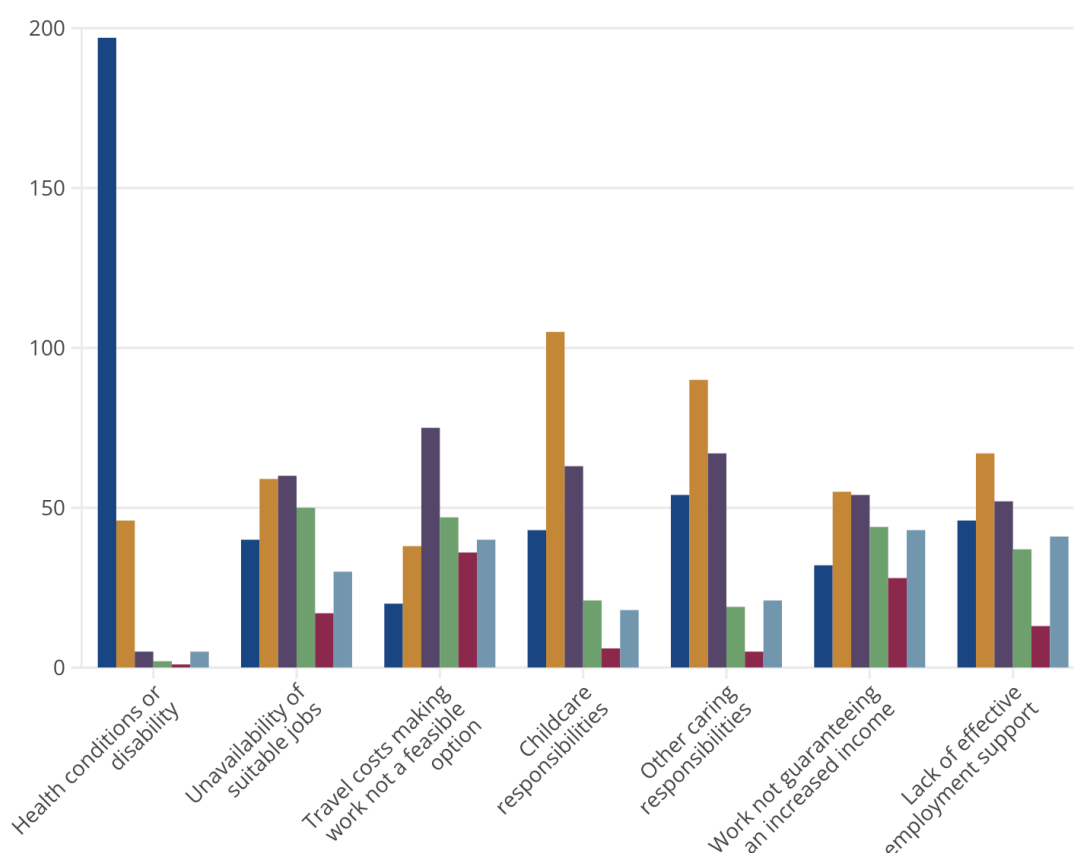
78% of respondents reported seeing a client concerned about financial feasibility of work, including 31% who said it was a common fear among their clients. Only 13% of surveyed advisors did not see anyone affected by this.

Q4. Systemic barriers to employment (answered: 256)

We also asked our advisers about barriers to work beyond the design of Universal Credit. Health issues were considered a significant barrier by 95% of respondents, childcare costs by 58% and other caring responsibilities by 56%. The lack of good employment support was viewed as the fourth most significant barrier by our surveyed advisors (44%), followed by the lack of suitable employment (39%).

Thinking about the out-of-work claimants you or your colleagues advised in the last 6 months, how significant are the following reasons that they are unemployed?

1 = Very significant 2 3 4 5 = Not at all significant Don't know



Open Questions:

- Are there any other reasons [why claimants do not undertake employment] not mentioned in the grid? (answered: 50)**

The commonly mentioned reasons were hidden costs of employment, such as cost of travel (especially in rural areas), childcare and clothes. Threat of sanctions upon leaving employment and loss of free healthcare costs were also mentioned multiple times. Two responses touched upon the loss of housing benefit, if in temporary accommodation. Many raised an issue of suitable and available positions being hard to find, with one person stating that minimum-wage positions offer little financial incentive. The impact of seasonal work on UC claims and difficulties in budgeting were also singled out as a disincentive. Other responses included the fear of the need to migrate to UC

from ESA, losing carer's element (or carer's allowance) and insufficiency of the current taper rate.

A recurring theme was the fear of something going wrong, although this was differently articulated across the responses. This included getting into debt or losing all benefits (including PIP) if work cannot be maintained.

2. Are there any financial disincentives to seek more hours for people who are already in work? (answered: 65)

Responses to this question largely mirrored the previous one. The most interesting comments related to a deeply held conviction among claimants that working more endangers the security of benefits - many claimants still believe there is a cliff-edge and do not have an adequate understanding of the taper and work allowances. Some simply fear what one adviser described as "administrative muddles" of UC calculations. One person said that while people are incentivised to work 16 hours per week to avoid the benefit cap, anything above that could trigger extra costs, such as Council Tax. People also mentioned the lack of a work allowance for a second earner, and extra costs such as childcare.

3. How would you, if at all, change the operation of work allowance? (answered: 61)

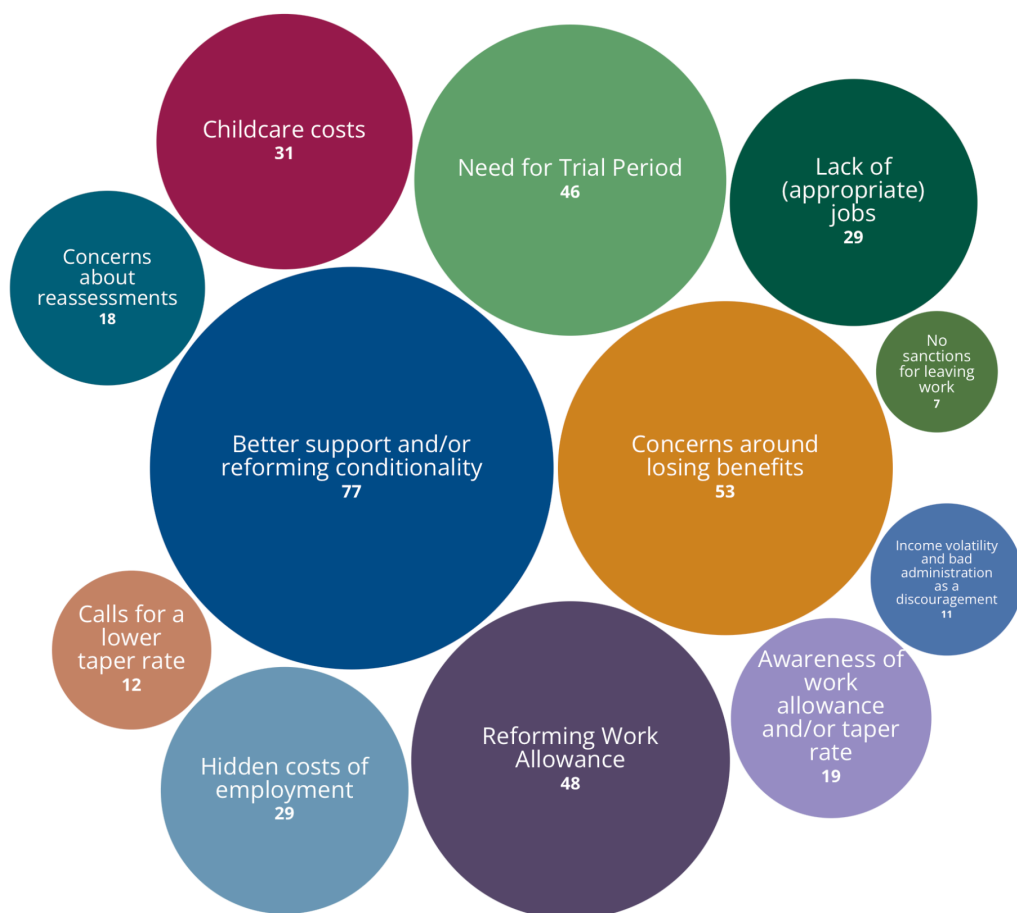
A lot of respondents mentioned raising awareness of the work allowance, together with increasing the amounts available. A particular point was made that for people who do get help with housing costs, and therefore receive a lower work allowance, the UC housing element does not always cover the whole rent. Many advisers also suggested an initial, higher allowance, to allow claimants to transition to work without falling into debt. Another group of respondents proposed widening eligibility for the work allowance, to those not claiming health and child elements, and to second earners in the household.

4. Please share any thoughts about how the Universal Credit system could better incentivise work (answered: 116)

Advisers highlighted the need for better employment support, training and work placements, as an alternative to pressures of conditionality. Many also raised improving trust between people and the DWP staff and the need for claimant commitments to be more realistic. Some respondents mentioned maintaining some passported benefits after losing UC eligibility and others re-emphasised the importance of widening the eligibility for, and increasing, the work allowance and childcare costs support. Remaining themes included:

- Dealing with fluctuating entitlements when paydays do not align with assessment periods.
- Reducing the taper rate.
- Scrapping the Minimum Income Floor for self-employed claimants.
- Increasing the use of FSF Trial periods, when starting work.
- Removing the 5-week wait for benefits.

Themes mentioned in the open text responses:



Annex: Methodology (case study)

Nigel's case study originates from our debt clients data. We hold more granular data for this group because of the nature of advice given; in order to determine a strategy for dealing with debt, we gather details of clients' income and expenditure to carry out income maximisation and advice on the most appropriate way of dealing with debt. This enabled the author to base their calculation on a real person's situation, rather than a hypothetical scenario.

Nigel's records state he claimed £900 of housing element and £393.45 of standard allowance (total of £1293.45 per month)³⁸. We also contacted the adviser on Nigel's case to clarify the details, including of the property he rented. This enabled the calculation of Council Tax Support in different earnings scenarios. The earnings used in calculations are based on the new NLW rates. When Nigel came to see us this was lower, so the gap between his earnings on UC and in full time employment could have been even smaller. To accurately represent the relationship between the new NLW and UC, we used the 2025/2026 rates of standard allowance (this raised it to £400.14 and gave a total UC of £1,300.14). We also adjusted the Council Tax liability from the amounts logged by the adviser at the time to 2025/2026 rates. It is worth noting that Nigel might be affected by the benefit cap, but this was disregarded for clarity. The exact figures used can be found in the table below.

Work weekly	0hrs	4hrs	8hrs	12hrs	16hrs	20hrs	24hrs	28hrs	32hrs	35hrs
Earnings (£)	0.00	211.64	423.28	634.92	846.56	1,058	1,270	1,481	1,693	1,852
UC Total (£)	1,300	1,184	1,067	950.93	834.53	719.78	635.97	552.16	428.14	340.84
Tax (£)						-3.00	-62.26	-121.5	-180.8	-225.2
CTS (£)	0	-19.05	-38.1	-57.1	-76.2	-94.6	-101.4	-107.6	-107.6	-107.6
Total (£)	1,293	1,376	1,453	1,529	1,605	1,680	1,742	1,804	1,833	1,860
Better off than UC only by (£)	0	76.19	152.38	228.57	304.76	380.20	441.58	504.33	532.69	559.67
Value of £1 earned (£)	0	0.36	0.36	0.36	0.36	0.36	0.35	0.34	0.31	0.30

³⁸ This represents figures as reported by the client. The UC entitlement recorded in our data would be above the benefit cap, but we do not know if the claimant in question was definitely affected. Similarly, the housing element was inserted as £900, even though the LHA rate for Nigel's area is currently £899.99 and was likely lower at the time. It is possible that the advisor uploaded estimated amounts, which would explain these discrepancies.

Costs of travel were calculated based on a bus rate in our client's area. For 4 and 8 hours, we assumed 1 return journey a week, for 12 to 16 hours, 2 journeys, for 20 to 24, 3 journeys, for 28 to 32 hours, 4 journeys and for full-time work, 5 journeys.

Any questions can be directed to jagna.olejniczak@citizensadvice.org.uk.

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