

Universal Credit and budgeting

Universal Credit is a new benefit for people who are on a low income or out of work. It is paid monthly, the way most people's salaries are paid. This can help you prepare for and manage the world of work as you get used to handling your money on a monthly basis.

You will receive one monthly payment directly into your account. If you are a couple this will usually be a joint account to help you and your partner manage your money together. You can choose to have payments made into one of your individual accounts if you prefer.

You may not have been paid this way before, so it's important that you know how to prepare.

Find out more about getting ready for Universal Credit by taking these three simple steps:

Step 1 – Check what changes you need to make

Use our online Personal Planner to help you prepare for the changes that Universal Credit brings. You'll be asked to provide the answers to some basic questions and it will tell you how ready you are for Universal Credit. It gives advice on what you need to do and the best sources of help. It won't tell you how much Universal Credit you'll get as this will depend on your circumstances when you claim.

Step 2 – Make sure you have a suitable account such as a bank, building society or credit union account, for your monthly payments

Once you have done this you will need to arrange to manage your finances by:

- considering how best to make sure you pay your regular bills; for example setting up direct debits and/or standing orders to pay your rent, gas, electricity, etc.
- working out how you are going to keep track of your spending. Setting up electronic banking can help you keep an eye on your outgoings through the internet
- for couples, considering how best to manage your money together, perhaps by opening a joint account

Step 3 – Work out your monthly budget by planning ahead and ensuring your bills are paid promptly

There are lots of ways you can manage your money. For example:

- using a simple monthly budget planner, like the one available on the [Money Advice](#)

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- [Service](#) website. This will help make sure your money lasts to the end of the month.
- writing down what you spend each month and working out how much you will have left over once your bills are paid
 - getting budgeting advice from family or friends
 - speaking to your local Jobcentre Plus work coach

For more help and information on budgeting your Universal Credit see this short film [Universal Credit: Managing Your Money](#)

For more information visit www.gov.uk/universalcredit or the [Universal Credit toolkit](#).