Student Money and Accommodation Advice

Students and Benefits

The following information is intended as a general overview only, please contact your local benefits office for a full assessment of your circumstances and eligibility.

This guide is split into two sections.

Part one gives specific information on your student status.

Part two is an overview of how to navigate the system, apply for benefits, and the most common benefit terminology.

## Part 1 – Student Categories

**Full-time home undergraduate students**

Full-time students are not usually entitled to welfare benefits.

However, there are a few exceptions to this rule:

1. lone parents with a child under 16 (or 19 in full-time education)
2. a student couple with children where both parents are in full-time higher education
3. students eligible for pension credit
4. if you live with a partner who claims Universal Credit and you are a FT student
5. you receive certain categories of Disability Living Allowance (DLA)
6. you have been unable to work for 28 weeks or longer due to illness or disability
7. you receive long term Incapacity Benefit

Students who meet the above criteria are considered financially vulnerable so may be entitled to make a claim for Universal Credit.

Any benefit payments made after the first day of the first year of your course (1 September for autumn starters / 1 January for February starters) will be classed as an overpayment.

It is your responsibility to declare your student status to the benefits office / your Universal Credit coach. By law, you are required to repay any overpayments.

Please note that your student income (Maintenance Loan) is partially taken into account in a benefits assessment, regardless of whether you opt to take out the Maintenance Loan from Student Finance England.

If you currently qualify for welfare benefits and continue to be eligible as a full-time student, your Universal Credit payments will reduce once you become a full-time student as a result of your income from the Maintenance Loan.

Full information on how your benefit entitlement is assessed can be found at

[www.uceplus.co.uk/students](http://www.uceplus.co.uk/students)

If you are currently claiming benefits, you must notify your job centre that you will be embarking on a full-time course of study at university.

**Part-time home undergraduate students**

There is no legislation stating that part-time students cannot claim Universal Credit.

The reality is that the guidelines are very strict and part-time students must meet the UC eligibility rules. If you are expected to look for work, you will have to show that your course won’t prevent you from doing this, and you might have to agree to give up your course if you get a job offer.

[Am I considered a part-time student for benefits purposes?](https://www.turn2us.org.uk/get-support/information-for-your-situation/part-time-students-and-benefits/who-is-a-part-time-student-for-benefit-purposes)

If you qualify for Universal Credit, please be aware that a proportion of your student Maintenance Loan is treated as income in your Universal Credit assessment, regardless of whether you choose to take it out.

[www.uceplus.co.uk/students](http://www.uceplus.co.uk/students)

**Full-time home postgraduate students**

Full-time students are not usually entitled to welfare benefits. However, there are a few exceptions to the rule. Please see the ‘full-time home undergraduate students’ paragraph above for full guidance on these exceptions.

If you take out the Postgraduate Loan, 30% of this is classed as income in the Universal Credit calculation.

**Part-time home postgraduate students**

There are currently no rules regarding welfare benefits for part-time students. Please see ‘part time undergraduate students’ section above.

You must notify your benefit office of your change in circumstances as they will make a new assessment using your student status and 30% of any Postgraduate Loan will be treated as income.

**Student Parents**

If you are a student with children, please see our Students with Children information sheet. Full-time UK lone parents, and student couples where both parents are in full-time education may be entitled to make a claim for welfare benefits.

Some students may be allowed to claim additional Universal Credits over the summer vacation. The qualifying categories are generally students who are deemed unable to work due to incapacity or caring responsibilities.

Student parents should book an appointment with the Student Money and Accommodation Advice team in May for advice pertaining to the summer vacation period.

**Taking a break from your studies**

You are considered a student from the first day of the first year of your course until the final day of your final year. This means that you are classed as a student even during the summer vacation period and when taking a break from studying.

Your student status ends only when you have ‘completed, abandoned or been dismissed from your studies’. Therefore, you are not usually entitled to claim benefits whilst on a break from your studies.

There is an exception to this rule: ‘...full‐time students who have suspended their studies due to illness or caring responsibilities and who are required to wait until their provider allows them to rejoin their course are able to make a claim for Universal Credit from when they recover from illness or the caring duties end, until the day before they rejoin their course, but not exceeding one year…’ (SFE Practitioners Chapters - Change of Circumstances, p.15)

Full-time UK students taking a break have any SFE loans and grants stopped from the day they intermit until they return to study. However, if you are taking a break due to ill health, SFE can make a discretionary 60 day ill health payment of Maintenance Loan. Please email [feequery@londonmet.ac.uk](mailto:feequery@incomecollection.ac.uk) with a copy of your medical certificate and your ID if you wish to apply for this.

**Withdrawing from your course**

If you decide to withdraw from your course, your student status is terminated.

Only once you are no longer registered with the University can you make an application to be considered for Universal Credit.

If you are considering withdrawing, the Student Money and Accommodation Advice team can help you explore the best options for your circumstances. Please note that withdrawing can have negative implications for your Student Finance England funding entitlement should you wish to return to higher education in the future. Therefore if you think you might return in a year of two, it is better to take a break until you are sure of your next step.

You are only officially withdrawn once you have completed a Withdrawal Form. [student.londonmet.ac.uk/your-studies/student-administration/withdrawal-process-module-or-university/](http://student.londonmet.ac.uk/your-studies/student-administration/withdrawal-process-module-or-university/)

## Part 2 – Benefit Overview

WelfareRights.net gives a comprehensive overview of each benefit:

[www.welfarerights.net/benefits-guides.php](http://www.welfarerights.net/benefits-guides.php)

Gov.uk explains how you submit a claim: [How Do I Make A Claim For Universal Credit?](https://www.gov.uk/how-to-claim-universal-credit#:~:text=You%20need%20an%20online%20account%20to%20claim%20Universal%20Credit.&text=You%20must%20submit%20your%20claim,to%20link%20the%20accounts%20together)

**What is a means-tested benefit?**

Means-tested refers to an income-assessed benefit. In other words, if you can prove your income and capital (any savings and investments) fall below a certain level, you may be eligible for the following means-tested benefits:

* Housing Benefit
* Council Tax Support
* Universal credit
* Working tax credit
* Child tax credit
* Income based JSA
* Income based ESA
* Social Funds (Sure Start Maternity Grant; Cold Weather Payment; Funeral Payment)
* Pension Credit

\* Please bear in mind that full-time student status will affect your entitlement.

\*\* You can get means-tested benefits regardless of whether you have paid enough National Insurance contributions.

**What is a non-means-tested benefit?**

Non-means-tested means your household income is not taken into consideration when you are being assessed for the benefit.

There are three types of non-means-tested benefits, and they are assessed on criteria based on your personal circumstances. Broadly speaking they are as follows:

1. contributory benefits: whether you have made enough National Insurance contributions
2. non-contributory benefits: whether you have a disability or caring responsibilities for someone with a disability
3. statutory benefits: whether you are unable to work due to illness / maternity leave / adoption leave

As this area is complex, it is important you notify your benefit office and ask them to carry out an assessment on your circumstances.

**What is Universal Credit?**

The government states that Universal Credit (UC) was introduced to replace and simplify the six existing means-tested benefits and tax credits below:

* Income Support
* Housing Benefit
* Jobseeker's Allowance (income-based)
* Employment Support Allowance (income-based)
* Working Tax Credit
* Child Tax Credit

UC is now fully rolled out across most of the UK for the majority of new claims. The old style welfare benefits are referred to as ‘legacy benefits’.

In April 2022, the House of Commons released a statement that any benefit claimants still in receipt of legacy benefits will be migrated across to Universal Credit by the end of 2024.

Any new claim will automatically be migrated to Universal Credit, so the majority of students will now be on Universal Credit.

**What is the benefit cap?**

There’s a limit on the total amount of benefit that most people aged 16 to 64 can receive. This is called the benefit cap. It is assessed on where you live – there is a higher rate for claimants living in London – and also on your personal circumstances. Only certain benefits are affected by the benefit cap.

[How much is the benefit cap?](https://www.gov.uk/government/publications/benefit-and-pension-rates-2023-to-2024/benefit-and-pension-rates-2023-to-2024)

Not all benefits are included in the benefit cap calculation. You can read the full list of benefits included [here](https://www.gov.uk/benefit-cap/benefits-included-in-the-cap).

## How to contact us

Visit [www.londonmet.ac.uk/advice](http://www.londonmet.ac.uk/advice) for up-to-date appointment and drop-in times.

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