



Usdaw

*Union of Shop, Distributive
and Allied Workers*

Members affected by UC

- **Parents** working at least 16 hours per week (24 for couples):
 - Up to £26,500 household income with 1 child
 - Up to £33,000 household income with 2 children
 - Up to 39,500 household income with 3 children
- **People with no children** aged over 25, working 30 hours per week:
 - Up to £13,000 for single people
 - Up to £18,000 for couples

5 years of Tax Credit cuts

2011

- **2% extra clawback.** Costs £280 for £20,000
- **Cut to Baby Benefit:** £545 less for babies
- **Childcare Tax Credit** – average £457 less

2012

- **Working Tax Credit 16 – 24 hours** – £3,870 lost
- **Income limits** – cost £545 with income over £26,000
- **Freeze:** tax credit worth £550 less

2013: Freezes: tax credits worth £660 less

2014-15: Freeze/Cap – Tax Credits worth £1,050 less

Other Major Cuts

2011:

- **VAT increase** – average £307 lost per household
- **Baby Benefits** – over £1,000 less (£1,500 for 2nd)
- **EMA** – up to £1,170 pa.

2012:

- **Local Housing Allowance** capped at 30%

2013:

- **Bedroom Tax/Council Tax Benefit:** £16.90 pw
- **Change from DLA to PiP:** 500,000 won't qualify
- **Benefit Cap:** 56,000 will lose average £4,836

2014 – 15: 1% Benefit Cap

Universal Credit: Impact

- 3.1m people will gain an average £168 pm (£2,000 a year)
- 2.8m people will lose an average £137 pm (£1,650 a year)
- 300,000 families on middle and modest incomes will lose £300 pm (£3,600 a year)

Winners under UC

- People with 'micro-jobs' of less than 16 hours a week
- People earning less than the personal tax allowance (£9,440 - £181 a week)
- Couples working less than 24 hours a week
- Young people under 25 on low pay with no children

Losers under UC

- Tax credits: modest to middle incomes
- Disabled children and adults
- Couples where one is above pension age and one is not – no Pension Credit
- Parents aged under 25 – lower rates
- Self-employed people on low income
- Those on less than 35 hours a week on the minimum wage: 'conditionality'

What can Unions do?

- Give our members as much advice as possible and direct them to online calculator
- **Before April 2014:** all who may be worse off should claim tax credit or Pension Credit
- Target under 25's (who may have children)
- Those approaching Pension age (who may have one partner over pension age)
- **After April 2014:** those who may be better off should claim UC when possible.
- eg Under 25's (if no children), micro jobs

Other Concerns

- Paying to one named contact
- Digital and banking exclusion
- Housing costs paid directly to claimants
- Conditionality up to 35 hours pw on NMW
- Sanctions
- Will it work?

What Can We Do?

- Lobby MPs
- Promote Save the Children's campaign for free school meals for all on UC
- Target Government MPs with small majority
- Government MPs prepared to speak out
- Lobby Labour to improve work incentives
- Campaign for a Labour Government!



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