

Universal Credit for HR and payroll staff

How Universal Credit can help you to recruit staff.

Details

Find out how Universal Credit can help your recruitment process by helping you manage natural peaks and troughs within your business.

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1. Universal Credit for recruiters

Universal Credit helps you in your recruitment process because it:

- provides better prepared applicants – jobseekers will receive job preparation, digital and budgeting skills and will be financially more ready for the world of work
- provides a wider pool of applicants – jobseekers looking for short-term, part-time or irregular work will continue to be supported through Universal Credit whilst their wage is low
- creates flexible applicants – jobseekers will be more open to short-term work or irregular hours. Their claim stays open and if they're on a low wage Universal Credit tops up their earnings
- is based on earnings, not hours worked. It reduces gradually on starting work – jobseekers will get to keep more of the money they earn. Universal Credit is about income not hours so they won't lose all their benefits at once
- helps with childcare, even before taking up a job offer – jobseekers can get help with childcare no matter how many hours they work. Working parents can claim back up to 85% of paid out registered childcare costs.

2. Universal Credit for HR managers

Universal Credit helps you to manage natural peaks and troughs within your business.

Universal Credit claimants already on your workforce will be able to:

- be flexible about their hours – employees won't have to worry about losing their benefit or their claim being closed, any change in working pattern will mean their Universal Credit adjusts accordingly
- take up the offer of overtime – employees will see a boost in their income from accepting extra shifts at peak times, whilst helping you avoid the overheads associated with recruiting and training new staff
- increase to full-time hours – employees will be able to do this for example, over the busy Christmas period. They will be automatically notified if their higher earnings mean their Universal Credit stops, but if their hours reduce within six months it's easy for them to get Universal Credit again
- accept any bonuses offered – employees will have this assessed alongside their salary. This could temporarily reduce or stop their monthly Universal Credit payment for a period, but it's easy for them to get Universal Credit again
- keep in touch with their Work Coach – employees will continue to have regular meetings where the Work Coach will focus on mentoring and coaching them to fulfil their potential by increasing their hours and earning more (depending on their individual circumstances)

3. Universal Credit for payroll staff

Universal Credit claimants, who are employed, rely on their employers to report earnings correctly and on time. Incorrect or late information could mean claimants will not receive the Universal Credit they are expecting, for example an overpayment could occur.

Universal Credit may mean a change for payroll staff who will need to:

- send HMRC PAYE information at the time the payment is made – this is forwarded on to the Department for Communities (DfC) who will take it into account in the claimant's next Universal Credit assessment. You only need to provide the information once, which is a more efficient process and it's used by both HMRC and DfC
- understand the impact of paying a bonus – this additional income is assessed alongside their salary. This could temporarily reduce or stop their monthly Universal Credit payment for a period, but it's easy for them to get Universal Credit again and they will always be better off earning more
- be aware that employees can be flexible about taking more hours – their Universal Credit payment will be adjusted to take this into account. If this extra payment from work is enough to stop the Universal Credit payment, when their circumstances change it's easy for them to get Universal Credit again

It's also important to note that claimants will need to contact DfC for any queries they have about their Universal Credit payment.



You can find more information about how to report PAYE in real time, along with how to get the right software to do it, from the HMRC website.