

COVID-19 – what do I do if my income is reduced?

By Keely Gabriel

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Many people find themselves living on a reduced income during the COVID-19 outbreak – work may not be available, wages may be reduced or you might be unable to attend work due to self-isolation or illness. So, what can you do and what help is there out there?

You've lost your job:

- If you were employed (paying tax through PAYE) before 19th March 2020 and you lost your job because of coronavirus, contact your employer to see if you can be reinstated and placed on 'furlough' leave instead. This allows your job to remain open and the government will cover 80% of your wages (up to a maximum of £2,500 per month). See [here](#) for more info.
- If you are now looking for a new job, you might be able to claim new-style Jobseekers Allowance. You need to have paid enough national insurance contributions (class 1) in the tax years 2017/18 and 2018/19 to qualify. [More info](#). You may also be able to claim Universal Credit to 'top up' your JSA.
- If you don't meet the conditions for JSA or aren't able to look for work right now, you could claim Universal Credit (see below).

You're self-employed (you pay tax through self-assessment):

Providing you meet the criteria set out [here](#), you might be able to claim help from the government's self-employed income scheme. If you do this, you can carry on working. The scheme isn't open yet so keep an eye on that link for details of when it's available. If your income is reduced, you may also be able to claim Universal Credit.

You can't work because you're ill:

If you can't go to work because you, or someone you live with, has symptoms of COVID-19, you can get an isolation note here to give to your employer [here](#).

Statutory sick pay – if you're an employee and you normally earn at least £120, you may be able to get SSP. You can read the full criteria and list of people who can't claim it [here](#).

New style Employment and Support Allowance – if you can't claim SSP but you've paid enough National Insurance Contributions (whether employed or self-employed), you may be able to claim new style ESA. This is based on your national insurance contributions (class 1 or 2) from 2017/18 and 2018/19. You can find out the full criteria [here](#).

Universal credit (see below) – if you claim SSP or ESA and your income is low, or if you're not eligible to claim them, then you may qualify for Universal Credit instead.

Universal Credit:

- Universal Credit (UC) is intended to support people who are on a low income. The amount you get will depend on your household circumstances. You can check if you are eligible [here](#).
- Universal credit claims must be made online - you can claim [here](#). You will need internet access to check your online journal regularly.

Some words of wisdom about Universal Credit

- If you currently receive certain means-tested 'legacy benefits' or tax credits then claiming UC means you will move to a new system and these benefits will stop. There is no going back to your old benefits!!!
- It is therefore very important that you check UC is the right thing for you to claim, especially if you have a disability. Citizens Advice's [Help to Claim](#) service can provide telephone or online chat advice to make sure UC is right for you BEFORE you claim.
- Universal Credit is paid monthly so you need to make sure you budget your money to last for the whole month. Many credit unions offer budgeting accounts that may help.
- If you rent your property, you can receive help towards your rent from Universal Credit but this will usually be paid directly to you rather than your landlord. If you have rent arrears or other exceptional circumstances, you can ask for payments to be made to your landlord instead.
- You will not receive any payment for the first 5 weeks after you claim. You can ask for an advance, but you will need to pay this back over a 12 month period so be cautious in how much you ask for.

Volunteering and your money

- Although you can't work for your employer whilst on furlough leave, you can undertake voluntary work.
- If you're claiming benefits because you're looking for work, you can volunteer as long as you tell the Jobcentre about it and as long as it doesn't then stop you taking up paid work if you are offered some.
- If you're claiming Employment and Support Allowance or Universal Credit because you're not well enough to work, then you can volunteer if you're well enough to do so but you must declare it.

There is more information about volunteering whilst claiming benefits [here](#).

Other sources of help

You can also check possible entitlement to benefits at www.turn2us.org.uk or www.entitledto.co.uk

Online benefit calculators are helpful but do depend very much on the information you put into them, so for more accurate advice it would be worth contacting your local Citizens Advice Bureau or an independent advice agency (see [Advice UK](#) for ones local to you)