

## **Important information if you are in receipt of State Benefits or Tax Credits**

If you get a payment from the fund, this could affect any benefits or tax credits that you are getting.

### If you are receiving Universal Credit

The Department for Work and Pensions (DWP) will be automatically alerted if you if you receive a payment from your employer alongside your salary.

The payment will be treated as earnings for the month it is received and might reduce or stop your Universal Credit award for that month. Your Universal Credit will stop for more than one month if earnings including the payment are more than £2,500 above the level that stops your Universal Credit.

It may also affect future entitlement to Universal Credit

You should get advice before deciding whether to apply for a payment.

It may also affect any benefits that you are entitled to as a result of receiving Universal Credit, such as **Scottish Child Payment, Best Start Grant and Funeral Support Payment.**

### If you are receiving Tax Credits

The payment will be treated by HMRC as earnings for the tax year 2020/21 and might affect the amount of your tax credits award.

You should get advice before deciding whether to apply for a payment.

If you asked HMRC for an increased tax credits award based on estimated lower earnings for the tax year 2020/21, this estimate may be too low when the one-off payment is added to your actual earnings. That could mean an overpayment of tax credits which HMRC would usually require to be repaid.

When you send your tax credits annual review form, or are asked to complete an annual declaration form, you should check that the earnings figure includes this payment, if you receive it.

### If you are receiving Legacy Benefits other than Tax Credits:

If you are receiving other 'legacy benefits' your entitlement could be affected. If your entitlement ends as a result, you will not be able to claim these benefits again and will need to claim Universal Credit instead if you still need support.

You should get advice before deciding whether to apply for a payment.

Legacy benefits are **Housing Benefit (if you are under pension age), Income Support, income-based Jobseeker's Allowance, and income-related Employment and Support Allowance.**

## Other Benefits that may be affected

The following benefits may also be affected:

- Pension credit
- Carer's allowance
- Council tax reduction

If you want to find out more about how this payment may affect your benefits or tax credits, then contact:

Citizens Advice:

[Bureaux | Citizens Advice Scotland \(cas.org.uk\)](https://www.cas.org.uk)

HMRC:

[Contact HMRC - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

DWP:

[Contact Jobcentre Plus - GOV.UK \(www.gov.uk\)](https://www.gov.uk)