

Backdated Pay and Universal Credit

Universal Credit Payments May Stop or Reduce

If you receive Universal Credit the amount you get changes if your take-home pay changes. This includes awards of backdated pay. If you get additional pay within a Universal Credit assessment period (month), your Universal Credit payment will either be less than you normally receive, or your income may be too high to qualify for a payment.

Universal Credit is calculated on your personal circumstances. Because of this we, as your employer, do not know how, or if, you may be affected.

The Pay Circular for Teachers & Associated Professionals for 1 August 2025 to 31 July 2027 has been received from COSLA, which will result in an increase in Basic Pay. This includes backdated arrears to the settlement date of 1 August 2025.

This increase, together with the backdated payment, may mean you will either receive less Universal Credit than normal, or you may even earn too much to qualify, and your Universal Credit claim will close. If your claim closes, you will see a message on your UC Journal telling you about this.

If your Universal Credit payments stop due to the backdated payment, you should not require to re-apply. Once your earnings reflect the new basic pay only, if you are still eligible, the payments should restart automatically.

If you have any questions or concerns, you can access free, confidential, and impartial welfare benefits advice from the Council's Welfare Rights Team. You can contact the Team by emailing welfarerights@pkc.gov.uk or by phone on 01738 476900 (option 1)

Further information is available on [our website](#)