



# BENEFITS AND TAX CREDITS FOR LONE PARENT STUDENTS

April 2024

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We work to understand what causes poverty and the impact it has on children's lives, and how it can be prevented and solved – for good.

We provide training, advice and information to make sure hard-up families get the financial support they need.

April 2024. This factsheet will be updated online. Check for the latest version at: [cpag.org.uk/welfare-rights/benefits-scotland/more-info/benefits-students-factsheets](https://cpag.org.uk/welfare-rights/benefits-scotland/more-info/benefits-students-factsheets)

# INTRODUCTION

This factsheet does not cover universal credit. See instead CPAG's factsheet *Universal credit for lone parent students* (see p9).

Lone parents considering going into education need accurate information about the money that will be available to them. This factsheet sets out the main social security benefits and tax credits that lone parents may be able to get during a course of education. The factsheet also includes brief information on help with childcare costs.

Note that in this factsheet you will find information about the main benefit eligibility rules for lone parents, but there are other general rules to satisfy, so seek advice (see 'Further information and advice', p9).

This factsheet covers 'legacy benefits' rather than universal credit (UC). For UC see instead CPAG's factsheet *Universal credit for lone parent students* (see p9). This factsheet is relevant for students:

- already on 'legacy benefits' (income support, income-based jobseeker's allowance, income-related employment and support allowance, housing benefit, child tax credit and working tax credit); or
- who live in 'specified' supported or temporary (homeless) accommodation, and need help with rent. In this case housing benefit must be claimed to help with the rent.

Note: you cannot make new claims for legacy benefits, with the exception of housing benefit if you live in 'specified' supported or temporary (homeless) accommodation. This factsheet, therefore, is for people already getting these benefits.

# STUDYING FULL TIME

## Key facts

If you are a lone-parent full-time student then:

- you are eligible for income support (IS) if you have a child under 5 (but you can no longer make new claims for IS);
- you are eligible for housing benefit (HB) (but you can no longer make new claims for HB unless you live in 'specified' supported or temporary (homeless) accommodation);
- in higher education, you might not get these benefits (or only a reduced amount) during the academic year if your grant or loan is too high, and you cannot reclaim them in the summer vacation if they stop during the academic year;
- in further education, you can stay on income support (if you have a child under 5), instead of getting a discretionary bursary maintenance allowance;
- you can continue to get child tax credit and child benefit; importantly, tax credits are not affected by most student funding.

## What benefits for living costs are you eligible for

Being 'eligible' means you have passed the first hurdle to getting benefit. The next step is an income assessment to decide if how much you get. Check this section first to see if you are eligible. Then look below under 'During the academic year' and 'During the summer vacation' to see how your grant or loan might affect things.

### Income support

Income support (IS) provides money for living expenses to certain groups who are not expected to look for work. It is for people who are on a low income, or have no other money. A lone parent studying full time and who has a child under five is eligible for IS (but remember new claims can no longer be made).

### Jobseeker's allowance

Income-based jobseeker's allowance (JSA) can be paid to you if your income is low enough, and you are available for and actively seeking work. You are not normally eligible for JSA if you are studying full time, but may be able to continue to get it if you are a part-time student (but new claims can no longer be made).

***Note: this factsheet only applies if you already get these benefits or if you can make a new claim for them because an exception applies – see p2.***

## Housing benefit

Housing benefit (HB) helps with the cost of rent if you are on a low income.

If you are a lone parent with a child under 16, or aged under 20 as long as you are still eligible for child benefit for them (see 'Child benefit' below), you are eligible for HB while studying full time (but remember new claims can usually no longer be made). However, your student grant or loan may affect how much, if any, you actually get (see 'During the academic year' below).

## During the academic year

When you start a higher education (HE) course at university or college, although you may still be eligible for IS, in practice it normally stops because your loan is higher than your IS amount. HB also reduces or stops. You may need to rely on your student grant and loan together with child tax credit (CTC), child benefit and a reduced amount of HB during the academic year.

You cannot substitute IS for a student loan. For IS (and HB), you are always treated as though you have taken out the maximum loan for which you are eligible, even if you have not applied for one, if you could get one by taking 'reasonable steps'.

Further education (FE) students can, however, stay on IS instead of applying for a discretionary bursary maintenance allowance. You should not be treated as having access to a discretionary bursary if you do not have one because, by its nature, there is no guarantee you would get it if you applied.

### Example

*Tricia is a single mum with two children aged 2 and 6, claiming IS and HB. She starts an FE course. Her benefits do not change, and she is also eligible for help with travel expenses and course costs. If she gets into financial difficulties, or needs help with childcare costs, she can apply to the college's discretionary fund or childcare fund.*

## During the summer vacation

In July and August (if your academic year starts in the autumn), your grant and loan are usually disregarded when the amount of benefit is worked out (the rules may be different if you are a nursing or midwifery student or a postgraduate student). You cannot make a new claim for IS during the summer, as new claims can no longer be made.

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You could choose to claim UC (sometimes referred to as ‘natural migration’). If you claim UC your tax credits and any HB will stop, and you will not be able to return to these.

If you are getting UC during the summer vacation, you must normally be available for and actively looking for work (see ‘conditionality’ section below).

Note also that you may get a ‘migration notice’, which requires you to claim UC within three months (sometimes referred to as ‘managed migration’). Whether you claim UC or not, your IS/HB/CTC will stop after the three months are up. See [www.gov.uk/guidance/tax-credits-and-some-benefits-are-ending-move-to-universal-credit](http://www.gov.uk/guidance/tax-credits-and-some-benefits-are-ending-move-to-universal-credit)

### Example

*Alan is a lone parent with a 14-year-old son. Alan leaves his job to start a four-year degree course, and gets a student loan and lone parents’ grant. He gets child benefit, maximum child tax credit and some of his rent paid by HB. In the summer between years one and two Alan chooses to claim UC (‘natural migration’), which provides him with income over the summer while he looks for work. His CTC and HB end.*

*When his 2nd year starts, his UC reduces substantially, to less than he got the previous year from CTC and HB. However, as he has now claimed UC, he cannot go back to CTC and HB.*

## Conditionality

If you are a lone parent student claiming UC in the summer vacation, to get it paid in full without a sanction you must usually be available for and actively seeking work. Relaxations may apply if you have a young child – see CPAG in Scotland’s *Universal credit for lone parent students* factsheet for more details (see p9).

To get IS paid in full without a sanction, if you are a lone parent student whose youngest child is one or two, you must attend work-focused interviews at the jobcentre when required. If your youngest child is three or four you must attend these interviews and also take part in work-related activity if required to do so.

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## Benefits to help with the costs of children

### Child tax credit (CTC)

Being a student does not affect your eligibility for CTC. Lone parent students normally continue to get maximum CTC. This is because you get maximum CTC if your taxable income is below £19,995 for the year (unless you are working and eligible for working tax credit). Since most of your student support is ignored as income, except your lone parents' grant, your income would normally be below this threshold.

If you get CTC, you are very likely to get a 'migration notice' in 2024, and have to claim UC ('managed migration').

### Child benefit

Child benefit is paid to almost everyone with a child/ren (some high earners may choose not to get child benefit, or get it but pay an equivalent tax charge). You can get child benefit if you are studying full time. Broadly, you must care for a child under 16, or under 20 and in full-time non-advanced education or approved training, which they were accepted on or started before they turned 19. For more information, see CPAG in Scotland's factsheet *Parents claiming for young people in further education or training* (see p9).

### Scottish child payment

This is an extra payment of £26.70 per week per child under 16. You are eligible if you are getting income support, income-based JSA, income-related ESA, pension credit, child tax credit or working tax credit (or UC), and you are responsible for a child/ren. You are responsible for a child/ren if you or your partner get child benefit or other benefits for the child/ren, or you are a kinship carer for the child/ren. Apply at [www.mygov.scot/scottish-child-payment/how-to-apply](http://www.mygov.scot/scottish-child-payment/how-to-apply)

### Best start grants

There are grants available during pregnancy or shortly after you have a baby, when a child is between 2 and 3.5 years old, and in the year a child starts school. Normally you can only get these if you get a qualifying benefit such as IS, CTC, HB or UC. You may also get a payment card for certain foods under the Best start foods scheme. For more information see [cpag.org.uk/welfare-rights/benefits-scotland/scottish-benefits](http://cpag.org.uk/welfare-rights/benefits-scotland/scottish-benefits)

**Note: this factsheet only applies if you already get these benefits or if you can make a new claim for them because an exception applies – see p2.**

## STUDYING PART TIME

You can study part time and stay on all your usual benefits (child tax credit, child benefit, Scottish child payment, income support (IS) or income-based jobseeker's allowance (JSA), and housing benefit (HB)), although if you are on JSA you must still be available for and actively seeking work. If you are a lone parent with a child under five, you can get IS if you are studying part-time (but remember new claims can no longer be made). Note that there are flexibilities in JSA for people with childcare responsibilities. In particular, if you have a child under 13 you can limit your availability for work to school hours.

You may be able to get a grant for fees if you are a part-time student (or a fee waiver in further education). This is disregarded when your IS, JSA and HB are worked out. You can also apply for help from the childcare and discretionary funds.

### Example

*Sandra started studying part time in August 2023. She is a lone parent with two children aged 4 and 6 and gets income support (IS), housing benefit (HB), child tax credit (CTC) and child benefit. She can stay on IS while she studies part time, as long as she has a child under 5. She can also get a fee grant, and may get help with childcare costs. When her youngest child turns 5, in April 2024, IS stops. She seeks advice and finds out she would be better off on universal credit (UC). She claims UC and her CTC and HB stop.*

**Note: this factsheet only applies if you already get these benefits or if you can make a new claim for them because an exception applies – see p2.**

## OTHER MATTERS

### Childcare

There is a childcare grant for lone parents of up to £1,215 if you are a full-time further or higher education student. You apply to your university or college for this grant, and also for additional help from the childcare fund, or help from the discretionary fund. Part-time students can apply to the discretionary fund for help with childcare.

You may be able to get additional funding from an educational trust. Use the Grants Search at [grants-search.turn2us.org.uk](https://grants-search.turn2us.org.uk) or see the Register of Education Endowments at <https://www.saas.gov.uk/full-time/register-of-education-endowments>. You can also find a list of educational grants at [www.lead.org.uk/charitable-trusts-providing-educational-grants-for-individuals/](http://www.lead.org.uk/charitable-trusts-providing-educational-grants-for-individuals/)

If you are a lone parent and you work 16 hours or more a week, you can get working tax credit, which can include help with up to 70% of registered childcare costs. It does not matter what you need the childcare for, whether it is for while you are working or while you are studying. Note: you cannot make a new claim for working tax credit any longer, but you can add it to an existing child tax credit award. For more information on childcare, including free pre-school childcare, see [cpag.org.uk/welfare-rights/benefits-scotland/more-info/families-factsheets/childcare-costs](http://cpag.org.uk/welfare-rights/benefits-scotland/more-info/families-factsheets/childcare-costs)

### Council tax

You are usually exempt from council tax if you are a full-time student. If you do have a council tax bill to pay, you are eligible for council tax reduction if you are a lone parent student with a child that you get child benefit for. This may apply if you have grown-up children at home who are working, as although you yourself are exempt, you are nonetheless liable to pay some council tax based on the other adults living there. You apply to your local authority for council tax reduction. If you are a part-time student, you are not exempt from council tax. Your bill is reduced by 25% if you are the only adult in the household. If your income is low, you can apply to your local authority for council tax reduction to help pay your council tax.

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# CHILD POVERTY ACTION GROUP IN SCOTLAND

Advice line for frontline advisers and support workers

0141 552 0552 Monday – Thursday 10am – 4pm; Friday 10am – 12 noon

Email: [advice@cpagscotland.org.uk](mailto:advice@cpagscotland.org.uk)

CPAG in Scotland advice line is only for advisers. If you are a student or thinking of doing a course of education and are in need of advice, contact your college/university student welfare services, or your local Citizens Advice Bureau.

## FURTHER INFORMATION

- CPAG in Scotland’s Benefits for Students work, including factsheets, and training courses on students and benefits for workers of different levels of experience, go to [cpag.org.uk/welfare-rights/support-advisers/support-advisers-scotland/advising-students-scotland](https://cpag.org.uk/welfare-rights/support-advisers/support-advisers-scotland/advising-students-scotland)
- CPAG in Scotland’s free online Benefits for Students in Scotland Handbook go to [askcpag.org.uk/publications/scotland](https://askcpag.org.uk/publications/scotland)
- View our full range of factsheets on benefits for students at: [cpag.org.uk/welfare-rights/benefits-scotland/more-info/benefits-students-factsheets](https://cpag.org.uk/welfare-rights/benefits-scotland/more-info/benefits-students-factsheets)
- CPAG publishes the Welfare Benefits and Tax Credits Handbook, a comprehensive guide to benefits and tax credit for claimants and advisers. Find out more at: [cpag.org.uk/shop](https://cpag.org.uk/shop)
- We have a free Scottish student income and UC elearning course. See this and other elearning courses at [elearning.cpag.org.uk](https://elearning.cpag.org.uk)
- Follow us on X @CPAGScotland
- For more information about the student funding available in Scotland (loans, grants etc) see [www.studentinformation.gov.scot](https://www.studentinformation.gov.scot). You can also get more information at [saas.gov.uk](https://saas.gov.uk) or from student services or advice staff in colleges and universities.

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