

# COVID-19: Help-to-Save scheme: an opportunity for clients who need to claim universal credit

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**As many are forced to turn to the welfare benefit system for financial assistance in light of the coronavirus pandemic, the Low Incomes Tax Reform Group highlights that those who claim universal credit may also be able to open a Help to Save account and therefore access a tax-free bonus of up to 50% of amounts saved. The account, delivered by NS&I and HMRC, can be retained for up to four years, even if the account holder no longer claims universal credit.**

The Help to Save account pays a tax-free bonus on the second and fourth anniversaries of the date the account was opened – but the amount which can be saved is limited to £50 per calendar month. If an individual saves the maximum amount of £2,400 over the account's four year life without making any withdrawals, they will receive bonuses totalling £1,200.

Universal credit claimants must have earned income of at least 16 hours a week at the national living wage (from 1 April 2020, this is equivalent to £604.56 in a month) in their previous assessment period in order to be eligible for a Help to Save account. 'Earned income' includes payments made to furloughed employees under the Coronavirus Job Retention Scheme and traders under the Self-employment Income Support Scheme.

Importantly, eligibility for Help to Save is assessed only at the time of opening the account – it does not matter if you later cease to meet the criteria. More information about eligibility to claim universal credit itself can be found on [LITRG's website for advisers: Revenuebenefits](#).

Be aware that if a claimant meets the conditions as part of a couple, then each member of that couple can apply for their own Help to Save account. Thus, if your client is eligible, their partner would be too. This could potentially double the bonuses received by a household.

LITRG has published detailed [guidance on how the scheme operates](#), including eligibility criteria. You and your clients can also get a quick overview of the scheme by [watching our two-minute video](#).

Of course, tax advisers must always be wary of the boundary between tax advice and regulated investment business. Members should be familiar with the [CIOT's Professional Rules and Practice Guidelines](#) which provide more information on this subject.