

Calculating Surplus Earnings 2025/26

This can be hard to work out. If you're struggling, you can get advice by [using the Turn2us Find an Adviser tool](#).

To work out if you're affected by the surplus earnings rules there are a few steps:

1. Work out your maximum entitlement to Universal Credit:

- If you've already had your first payment of Universal Credit you can check this on your statement. It will appear as 'total entitlement before deductions'. Then go to step 2.
- If you've not already had your first payment of Universal Credit you will need to work out your maximum entitlement. You can [use the Turn2us Benefits Calculator](#) to do this. Click on 'what's this made up of' on the results screen to see a breakdown of your Universal Credit. You need to use the figure 'maximum Universal Credit before deductions'. Then go to step 2.

Alternatively, you can work it out manually.

1. To do this, first work out your housing element:

If you're in private rented accommodation

Your housing element is calculated using the Local Housing Allowance for your area. If you have adults in the household who aren't your partner or your subtenant, take off £93.02 per month for each of these adults.

If you're in social rented accommodation

Your housing element is your monthly rent unless you're affected by the '[bedroom tax](#)'. If you have one spare bedroom, take off 14% of your rent amount. If you have two or more spare bedrooms, take off 25% of your rent amount. If you have adults in the household who aren't your partner or your subtenant, take off £93.02 per month for each of these adults.

If you don't rent your home

You won't get a housing element. Move on to the next section.

2. Next add up all the elements you're entitled to

- **Standard element** (single under 25 = £316.98, single over 25 = £400.14, couple both under 25 = £497.55, couple at least one over 25 = £628.10)
- **Child element(s)** (you won't usually get a child element for a third or subsequent child born after 6 April 2017) (First child born before 6 April 2017 = £339.00, other child = £292.81)
- **Carer's element** = £201.68
- **Limited Capability for Work element** = £158.76
- **Limited capability for work related activity element** = £423.27
- **Childcare costs element** = 85% of costs paid in the assessment period, up to a maximum of £1,031.88 for one child, or £1,768.94 for two or more children)
- **Housing element**

This is your maximum entitlement to Universal Credit.

2) Take any 'unearned income' away from your maximum entitlement.

- Unearned income includes income you are treated as having from savings over £6,000.
- A. To work this out, subtract £6,000 from your total savings. Then divide that by 250. Then multiply that amount by 4.35. If you have savings less than £6,000, you don't have to calculate unearned income from savings.
- Unearned income includes money from New Style Employment and Support Allowance, New Style Jobseeker's Allowance, Maternity Allowance, Carer's Allowance or Carer Support Payment.
 - It doesn't include Child Benefit, Scottish Child Payment, Disability Living Allowance, Child Disability Payment (Scotland) Attendance Allowance, Pension Age Disability Payment (Scotland), Personal Independence Payment or Adult Disability Payment (Scotland).
 - It doesn't include statutory payments like Statutory Sick Pay or Statutory Maternity Pay.
- 3) Take the amount you got when you had taken any unearned income away from your maximum entitlement. Multiply this amount by 100 then divide it by 55.
- 4) Add £2,500 to this figure.
- 5) Add a work allowance if you're entitled to one:
- a. If you have children or have limited capability for work, and you don't get help with housing costs, your work allowance will be £684.
 - b. If you have children or you have limited capability for work, and you get help with housing costs, your work allowance will be £411.
- 6) Subtract this amount from the income you expect to receive in this assessment period.
- 7) If this is a positive figure, then this amount will be treated as if you earned it in the next assessment period. To work out how this will affect your benefits in the next assessment period, use our Benefits Calculator and add this amount to the amount you actually expect to earn in the next assessment period when entering your income.

If it is a negative figure, you won't be affected by the surplus earnings rules.