

# Universal Credit

## Calculating the correct affordability for MSO



### Step One: Select the correct MSO field.

Select Income –  
Other Income.

Within the other income field  
select **Universal Credit/Working  
Tax Credits/Child Benefit**



### Reminder: Evidence requirements

We require:

The **latest 3 months Universal  
Credit** payment statements.

We require an annualised amount  
(See example on page 2 & 3).

£ Current income

Current employment status: Employed

Total net monthly income from all sources: £

Please select...  
Employed  
Self employed Partner  
Self employed Sole Trader  
Director or Shareholder less than or equal 33 percent share  
Director or Shareholder greater than 33 percent share  
Retired  
Homemaker  
Student  
Not employed

+ Add income

Please select...  
Employment income  
Other income

Other income source: Please select...  
Please select...  
Investment income  
Court-ordered maintenance income  
Rental income from an unencumbered property  
Pension income  
Universal Credit / Working Tax Credits / Child Benefit  
Dividend income  
Shift allowance  
Additional duty hours  
Nursing bank  
Attendance allowance  
Foster care allowance  
Industrial injuries disablement benefit  
Carers allowance  
Pension - state  
Pension - war pension scheme  
Pension - war widow(er)

# Calculating the correct affordability for MSO

## Step by step guide



### Step two: Enter your client's entitlement.

Please ensure this is aligned to their latest 3 Universal Credit payment statements.

We **do not** consider the following Universal Credit elements:

housing, health costs, energy savings home improvements or prison visits.



Item	Month 1	Month 2	Month 3
Standard Allowance	£200	£200	£200
Children	£300	£300	£300
Children in Childcare	£100	£100	£100
<b>Total Entitlements</b>	£600	£600	£600
<b>Average Entitlement</b>	£1800 divided by 3 = <b>£600</b>		

### Step three: Enter your clients' received payments.

Please ensure these are aligned to their latest 3 Universal Credit payment statements.



<b>Total payment received by the customer</b>	£300	£300	£300
<b>Average Amount Received</b>	£900 divided by 3 = <b>£300</b>		

# Calculating the correct affordability for MSO

## Step by step guide



### Step four: Enter your clients' received payments.

To calculate the final figure required for MSO, use the lower amount of the average entitlement and average payments and **multiply by 12 months to annualise.**



Average	Amount
Entitlements	£600
Payments (amount received)	£300 (in this scenario, as this is the lower amount this should be used for MSO).
Figure for MSO	£300 multiplied by 12 months = <b>£3600</b>

### Step five: Enter the amount on MSO.

Based on this calculation, after selecting Other Income – Universal Credit/Working Tax Credits/Child Benefit, **enter £3600.**



### If you need support making this calculation.

Please reach out to our desk team on [intermediarysales@principality.co.uk](mailto:intermediarysales@principality.co.uk) or call **0330 333 4021.**