

Universal Credit: Managed Migration...

Information Guide 6: For Residents and Advisers

18th October 2024

www.wolverhampton.gov.uk

1. Introduction and Background...

This Information Guide seeks to explain when and how those who remain on a 'legacy benefit(s)' will be moved on to Universal Credit under 'managed migration'.

The two main reasons for introducing Universal Credit were:

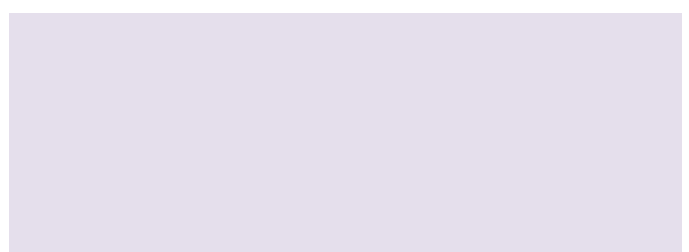
- to 'simplify the benefit system' by replacing six existing benefits (so called 'legacy benefits'); and
- to 'make work pay' by seeking to ensure that people would be 'better off' in work than out of work.

The most straightforward part of introducing this new benefit was, in effect, prohibiting new claimants from being able to apply for the old system 'legacy benefits' whilst instead making Universal Credit available to them.

Managed Migration: The legislation: Universal Credit (Transitional Provisions) Regulations 2014 - Statutory Instrument 2014 No.1230 ([LINK](#)) and The Guidance: ADM Chapter M7: Managed Migration and Transitional Protection ([LINK](#)).

The more difficult aspect has been how to move existing claimants off the different 'legacy benefits' and on to Universal Credit.

The systems of '**natural migration**' and '**managed migration**' were created to do this job - move people off the old 'legacy benefit' system on to Universal Credit.



Put simply, under 'natural migration' people who have been receiving 'legacy benefits' have been expected to make the transition to Universal Credit when they have experienced a relevant change in their circumstances. As the change has occurred, they have been expected to apply for Universal Credit and in doing so their entitlement to any 'legacy benefits' (including tax credits) that they may have been receiving has been ended even if it ultimately transpires that they have no entitlement to Universal Credit.

In contrast to 'natural migration' under 'managed migration', people will be selected to make the move by the Department for Work and Pensions (DWP) and if they do not then they could end up with no (or little) benefit income. This is because if the person selected fails to actively apply for Universal Credit, then all their 'legacy benefit' entitlement will be withdrawn and they will not be entitled to any Universal Credit until they actually apply.

In couple situations, and the case of 'managed migration' it will be the 'legacy benefit' entitlement of both members that would be ended if no application for Universal Credit is made.

Transitional Protection

The other thing to bear in mind is that if a person moves under 'natural migration' they will receive no compensation should the level of their 'legacy benefit' entitlement be greater than the amount they are awarded under Universal Credit unless they are eligible to the 'Transitional SDP Element' - see Section 7. However, when someone moves under 'managed migration', they will be awarded an amount of 'transitional protection' which is intended to ensure that at the point of transfer that they are no worse off.

It is therefore clear that in failing to prepare properly for 'managed migration' or failing to apply for Universal Credit when invited to do so, could lead to a person missing out long term on significant monthly 'transitional protection' payments and thereby being poorer than they might otherwise be. By 'prepare properly' we mean prepare by making sure that the amount they receive in 'legacy benefits' is fully reflective of their true entitlement (i.e. they are not missing out on any entitlements or premiums).

The overriding concern is that vulnerable and disadvantaged people living in Wolverhampton may not be sufficiently equipped to engage in the 'manged migration' process or will simply not engage and thereby end up in significant financial difficulties.

Natural Migration

Under 'natural migration' those already getting 'legacy benefits' would only be expected to make the switch to Universal Credit:

- upon a relevant change of circumstances; or
- because they opted to make the move voluntarily.

The types of change of circumstances which would require a person to move from their 'legacy benefits' to Universal Credit would include where a person:

- has been getting Income-based JSA on grounds that they are able to work but then become long-term sick
- is getting Income-related ESA on grounds that they are too sick to work but their health improves and they may no longer be assessed as having 'limited capability for work'
- is working and getting Working Tax Credit and then they lose their employment.

The 'natural migration' process would equally apply where a person is getting Housing Benefit in one local authority area but moves to another local authority area and still require assistance with their rent.

A voluntary (voluntary transfer) move from 'legacy benefits' to Universal Credit could take place where a person sees themselves as 'better off' under Universal Credit.

As stated, in making the move from the 'legacy benefit' system, a person would be expected to give up any 'legacy benefits' entitlements for Universal Credit. The only real exception to this would be in cases where the home of the person making the move may be considered to be 'supported accommodation' (Please see page 7 for what is meant by 'supported accommodation'). In this case they would be able to receive / continue to receive Housing Benefit towards their rent. However, in this situation they would not be entitled to help with their housing costs (i.e. rent / service charges) under Universal Credit. They would simply get Universal Credit to help them with the cost of their day-to-day living.

Managed Migration

Under 'managed migration' those who remain on 'legacy benefits' because they have not been affected by 'natural migration' (or voluntary transfer), will be selected by the Department for Work and Pensions (DWP) to make the move.

When a person makes the switch under 'managed migration' (not 'natural migration') if it is established that the value of their 'legacy benefits' is greater than the level of their overall Universal Credit entitlement, then they will be awarded a 'transitional element' within their overall Universal Credit assessment which is designed to ensure that they will be no worse off at the point of migration.

Council Tax Support (Wolverhampton): If a person is getting CTS, then their claim will not end even if their Housing Benefit (HB) does because they have had to apply for Universal Credit under 'natural migration' or 'managed migration'. When they make their Universal Credit claim the DWP will send the council a notice to stop (HB) and at this point the person's award of CTS will be paused. Once Universal Credit has been awarded then the DWP will notify the council and the person's CTS award will be adjusted accordingly.

Please see 6. Transitional Element for more information on this and the circumstances in which a person's 'transitional element' may be reduced over time and removed altogether.

2. Managed Migration - the Rollout...

The DWP have confirmed that Universal Credit is now in payment to 4.2 million households across the United Kingdom but that there remains a further 2.5 million still getting 'legacy benefits' who need to make the switch.

There have been several false dawns in relation to both the rollout of 'managed migration' and the date by when those getting 'legacy benefits' would be invited to apply for Universal Credit. The pandemic, during which time pilot rollout programmes were paused, did little to aid the process.

However, in the DWP's report *Completing the move to Universal Credit: Learning from the Discovery Phase* (dated 10th January 2023 - see this [LINK](#)), it was said that the DWP remained committed to completing the 'managed migration' process by the end of 2024/2025 including all cases of people on Income Support and Income-based JSA and Housing Benefit but excluding those getting Income-related ESA without any tax credits.

It was said that this would allow His Majesty's Revenue and Customs (HMRC) to close down the tax credit system for those of 'working age' (but not 'pension age') and DWP to close down parts of its service thereby generating savings for taxpayers.

Wolverhampton Households: The numbers...

Constituency	Universal Credit	Legacy Benefits
North East	12,163 (11,917)	3,305 (3,552)
South East	13,190 (12,982)	3,316 (3,614)
South West	9,287 (9,170)	2,383 (2,492)
TOTAL:	34,640 (34,069)	9,004 (9,658)

Statistical data as of November 2023 (August 2023 - figures in brackets): Please see this [LINK](#) for House of Commons Library Constituency Data on Universal Credit Rollout.

More recently Guy Opperman's (Minister of State for Employment) announced in his Move to Universal Credit Update statement (dated 28th March 2023 - See this [LINK](#)) that:

- people still receiving Child Tax Credit and/or Working Tax Credit WITHOUT any other 'legacy benefits' will be selected for 'managed migration' during 2023/2024; and
- people still receiving Child Tax Credit and/or Working Tax Credit WITH at least one other 'legacy benefit' (including those who get Income-related ESA) will be selected for 'managed migration' during 2024/2025.

He also confirmed in his statement that the volume of cases selected would be increased incrementally each month. So, the deeper we dive into 2024 and beyond, the greater the number of people we will see being put through the 'managed migration' process.

The plan, first announced in the Autumn Statement 2022 (Please see paragraph 5.15 of the Autumn Statement 2022 on this [LINK](#)), to delay the 'managed migration' process of an estimated 800,000 claimants on Income-related ESA (EXCEPT for those receiving Child Tax Credit) to Universal Credit until 2028 on grounds that this would result in substantial savings to the public purse has now been scrapped.

On the 19th April 2024 in a letter to local authorities the DWP announced that these claimants would now be issued with 'migration notices' between the period September 2024 to December 2025.

The original plan to put back the move of this group of claimants was made as essentially a cost cutting measure. This is because it had been identified that some people on Income-related ESA who had been assessed as having 'limited capability for work' and 'limited capability for work-related activity' would be entitled to a greater amount of Universal Credit than they would otherwise have been getting under Income-related ESA.

3. Managed Migration and the Migration Notice...

The 'managed migration' process is not automatic - people will not be moved off their 'legacy benefits' and on to Universal Credit unless they make a claim for Universal Credit.

The DWP will start the 'managed migration' process by sending a 'migration notice' to the person receiving the 'legacy benefit(s)'. It is understood that this will be the case even if the person only receives Working Tax Credit / Child Tax Credit.

Once a person has received a 'migration notice' they will become a 'notified person'.

Regulation 44(6) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

The 'migration notice' will confirm the 'migration day' (i.e. the date on which their 'legacy benefit' entitlement will end) and invite the person who has been getting a 'legacy benefit(s)' to apply for Universal Credit.

Regulation 44(1) and (2) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

The 'migration notice' will also provide details of the date by which the person must make the application for Universal Credit. This is the, so called, 'deadline day'.

A person must be given at least THREE MONTHS (the original time limit was set at one month, but this has been changed) to apply for Universal Credit from the day on which the 'migration notice' is issued.

Regulation 44(3) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

If the person who is getting the 'legacy benefit' is, for the purposes of that 'legacy benefit' a member of a couple (such as will be the case in Working Tax Credit / Child Tax Credit cases where joint claims are always required) then the DWP should also issue the 'migration notice' to the other member of the couple.

Regulation 44(4) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

The DWP may 'cancel' a 'migration notice' where it has been issued in error or in 'any other circumstances' where the DWP 'considers it necessary to do so in the interests of the person' or to 'safeguard' the efficient administration of Universal Credit.

Regulation 44(5) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

The DWP may change the 'deadline day' unilaterally or at the request of the 'notified person' providing there is a 'good reason' to do so.

Regulation 44(1) and (2) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

Good cause [good reason] means, in my opinion, some fact which, having regard to all the circumstances (including the claimant's state of health and the information which he had received and that which he might have obtained) would probably have caused a reasonable person of his age and experience to act (or fail to act) as the claimant did.

[CS/371/49](#): Social Security Commissioner Davies

The DWP's own guidance 'The Advice for Decision Makers' (ADM) relating to 'managed migration' and 'good reason' echoes the spirit of CS/371/49 by Social Security Commissioner Davies.

It provides in [Chapter M7081](#) that examples of where there might be 'good reason' for extending the 'deadline day' are where the 'notified person' has difficulty completing the Universal Credit claim because they:

1. have a physical or mental health condition
2. have learning difficulties
3. are in or about to go into hospital as an in-patient
4. have significant caring responsibilities
5. are homeless
6. have a domestic emergency.

In [Chapter M7082](#) it confirms that this list is not exhaustive and that each case should be considered on its individual merits. It confirms that more examples of 'good reason' may be found in [ADM Chapter K2001 to K2999](#) (Good Reason).

In these cases, a person may be asked to provide evidence to substantiate the circumstances surrounding their 'good reason'.

However, do not forget that in these situations the standard of evidence is the 'balance of probabilities' - was the person's account of things 'more likely than not' true (see [CDLA/2288/2007](#) by Social Security Commissioner Jacobs). Moreover, remember that a person does not need to corroborate their own evidence (see [R\(SB\)33/85](#) by Social Security Commissioner Edward-Jones).

Case Study One: Jackie currently receives Income Support, Child Tax Credit and Housing Benefit. She receives a 'migration notice' notifying her that she has until 9th October 2023 to make a claim for Universal Credit otherwise her 'legacy benefits' will be stopped. Due to the school holidays, Jackie decides to wait until September to begin her Universal Credit claim. However, in mid-September, her father is taken seriously ill and rushed into hospital for emergency surgery. Jackie has to manage his hospital stay and take over from her father as the main carer to her disabled mother. Jackie contacts the DWP who agree to extend her 'deadline day' by another month to give her time to attend to her significant caring responsibilities.

In [Chapter M7063](#) it provides that consideration should first be given to whether it would be more appropriate to extend the 'deadline day' rather than cancelling a 'migration notice' altogether.

What seems fairly clear is that in order to ask for the 'deadline day' to be extended to a later date, the application must be made before the 'deadline day' for it to be considered. If the DWP agree to moving the date, then they must notify the person of the new date. There is no limit to the number of times a person can ask for a 'deadline day' to be extended, provided that the request is made before the 'deadline day' and 'good reason' exists.

In [Chapter M7079](#) it provides that a person may not challenge:

- the decision to select them for 'managed migration' / issue them with a 'migration notice'
- the 'deadline day' providing that it is at least 3 months after the date of issue
- a decision to refuse to extend the 'deadline day' or cancel a 'migration notice'.

There is, therefore, no right to a **mandatory reconsideration** or an **appeal** against being selected for 'managed migration' or a refusal to extend the 'deadline date'.

In [Chapter M7080](#) the DWP explains that there is no right to challenge these decisions because 'none of the actions' are decisions of a claim for, or an award of, benefit. However, there is confirmation that a decision actually terminating an award of a 'legacy benefit' may be challenge by mandatory reconsideration' and appeal in the normal way.

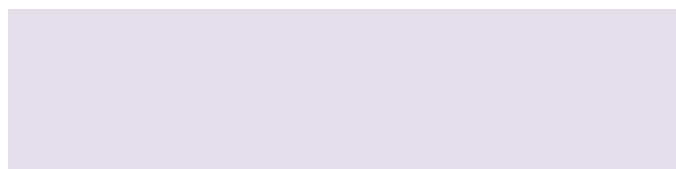
However, all this does not exclude a person from asking for a decision concerning 'managed migration' selection or a refusal to extend the 'deadline date' to be revisited, particularly if new information of evidence comes to light that might have had a bearing on the decision already made.

If a person applies for Universal Credit on or before the 'deadline day' then their Universal Credit entitlement will start on the day that they applied for Universal Credit.

When a person applies for Universal Credit on or before the 'deadline day' then any existing 'legacy benefit(s)' will end. However, in the case of Housing Benefit, Income Support, Income-based JSA or Income-related ESA, it will do so on the last day of the period of two weeks (the 'two-week run-on') beginning with the 'deadline day'.

This is not what happens in the case of Working Tax Credit / Child Tax Credit. A person's entitlement to Working Tax Credit / Child Tax Credit will end immediately.

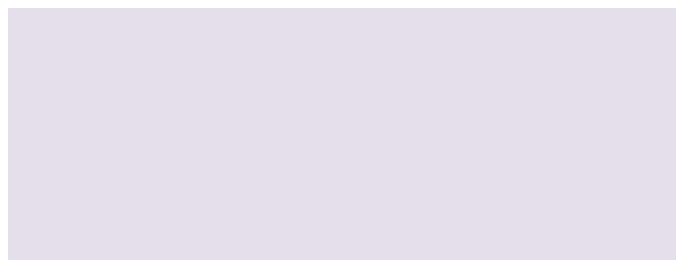
This, in effect, means that people who apply for Universal Credit in time will be eligible to a two-week period during which their Universal Credit entitlement may overlap with their entitlement to Housing Benefit, Income Support, Income-based JSA or Income-related ESA.



This is designed to help claimants cope with the way Universal Credit is paid i.e. in arrears with the first payment normally made one month plus 7 days after the claim. There is no similar overlap provision in the case of Working Tax Credit / Child Tax Credit.

If a person fails to apply for Universal Credit on or before the 'deadline day' then their 'legacy benefit(s)' entitlement will end from the day before their 'deadline day' but with the same 'legacy benefit(s)' two-week run-on. Then, providing they apply for Universal Credit within one month of the 'deadline day' (the 'final deadline'), they may still have any 'transitional element' entitlement included in their overall Universal Credit assessment.

Regulation 46(3) and (4) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230



Case Study Two: Jacob currently receives Working Tax Credit and Housing Benefit. He receives a 'migration notice' from the DWP giving him until 20th November 2023 to make a claim for Universal Credit otherwise his 'legacy benefits' will stop. Jacob puts the letter in a drawer and plans to deal with it later. Then two days before the deadline it dawns on him that he needs to make the claim. He calls the DWP to ask for more time. However, his request is refused. It is Jacob's responsibility to make the claim within the time limit and he does not have any 'good reason' for failing to do this / for giving him more time to do so. If Jacob is unable to complete his claim by his 'deadline day', he can still, make a claim for Universal Credit by his 'final deadline' which, in Jacob's case, would be one month after his 'deadline day' i.e. 19th December 2023. As long as he does this, he will still be eligible to a 'transitional protection' payment should his 'legacy benefit' entitlement be greater than the value of his Universal Credit. In any event, without an extension to his 'deadline date' Jacob's Working Tax Credit entitlement will stop on 19th November 2023, but his Housing Benefit would continue for two weeks after his deadline day providing, he makes the application for Universal Credit.

A person is, of course, free to apply for Universal Credit at any point. However, if they do so after the 'final deadline' they will not be entitled to any potential 'transitional protection' payment. Please see 6. Transitional Element for more information for more information.

If a person is likely to struggle financially until they are due to receive their first payment of Universal Credit, then they can apply for an Advance Payment through their Job Centre or Universal Credit Journal. Please see this [LINK](#) for more information.

Supported Accommodation

If the person is receiving Housing Benefit and living in supported accommodation (see below), then their Housing Benefit payments should continue.

This is because people living in accommodation of this nature are not presently entitled to help with their 'housing cost' through the Universal Credit system.

By 'supported accommodation' we mean either:

- 'specified accommodation' - that is to say accommodation which is either provided by a 'relevant body'; into which the claimant has been admitted in order to meet a need for care, support or supervision; and where the claimant receives care, support or supervision or accommodation which is provided by a local authority or a 'relevant body' to a person who has left home as a result of domestic violence; and which consists of a building, or part of a building, which is used wholly or mainly for the non-permanent accommodation of people who have left their homes as a result of domestic violence; or
- 'temporary accommodation' - that is to say accommodation that is made available by a local authority to prevent a person being or becoming homeless.

A 'relevant body' is a county council in England for each part of which there is a district council, housing association, registered charity or voluntary organisation.

Regulation 46(1) and (4) Universal Credit (Transitional Provisions) Regulations 2014 - Statutory Instrument 2014 No.1230
Regulation 2 Universal Credit (Transitional Provisions) Regulations 2014 - Statutory Instrument 2014 No.1230
Schedule 1 Paragraph 3A and 3B Universal Credit Regulations 2013 - Statutory Instrument 2013 No.376

Special 'transitional' rules have been put in place to accommodate:

- people who have been getting Child Tax Credit and/or Working Tax Credit who have capital exceeding £16,000; and
- full-time students

who have been selected for 'managed migration' but who would otherwise not be able to apply for Universal Credit because they have excess capital and/or because they are a full-time student.

Please see 4. Tax Credits: Transitional Capital Disregard and 5. Students: The Special Transitional Rule, for more information.

4. Tax Credits: Transitional Capital Disregard...

A person may not normally apply for Universal Credit if they have more than £16,000 in capital. Whereas there has been no similar capital rule in relation to claims for Child Tax Credit and/or Working Tax Credit.

If a person is getting Child Tax Credit and/or Working Tax Credit on 'migration day' and they have in excess of £16,000 capital, then a special 'transitional capital disregard' rule will apply to them.

Capital: By capital we include both capital and savings the person (and their partner) has. Capital includes any property owned (except for the property in which the person lives in as their normal home) or land owned in the United Kingdom or abroad. Savings includes any cash or savings in a bank or building society account and any shares or investments. Do seek further information and advice as necessary.

Under this rule any capital a person (and their partner) has exceeding £16,000 will be fully disregarded for the purposes of determining their entitlement to Universal Credit, including the calculation of the 'Indicative Universal Credit Amount' figure. Please see 6. Transitional Element for more information.

The 'transitional capital disregard' rule may only apply for 12 months. Therefore, if the person (and their partner) has in excess of £16,000 capital 12 months after having applied for Universal Credit then they will lose their entitlement.

Also, should the person's (partner's) capital be assessed as not exceeding £16,000 during an 'assessment period' within the first 12 months then they will lose any right to benefit from the 'transitional capital disregard'. This means that if a person benefits from the 'transitional capital disregard' rule but then their capital falls below £16,000 they would not be entitled to Universal Credit if their capital then increased above £16,000.

Regulation 51(1) and (4) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

In these cases, as in any other, the actual amount of Universal Credit entitlement will ultimately depend on the person's personal and financial (excluding the capital they have above £16,000) circumstance. Depending on the facts of the case a person could end up with three potential awards.

They could get an award of Universal Credit without a 'transitional element' because the value of their Universal Credit entitlement is greater than the amount of the Child Tax Credit / Working Tax Credit they previously received.

They could get an award of Universal Credit including a 'transitional element' because whilst they have an entitlement to Universal Credit it is less than the overall value of their Child Tax Credit / Working Tax Credit.

Alternatively, they could find themselves with an award of Universal Credit which depends upon the inclusion of a 'transitional element' because they have no entitlement to Universal

Credit but for the fact that they are entitled to a 'transitional element' because the value of their Child Tax Credit / Working Tax Credit is greater than their Universal Credit entitlement.

Please see 6. Transitional Element for more information about the circumstances in which a person may qualify for the 'transitional element'.

It is understood that the DWP will be telling people about the 'transitional capital disregard' rule. It is also understood that the DWP are considering how best it can inform people who will be applying for Universal Credit under 'managed migration' of the deprivation of capital rules.

It is the view of the DWP that where there is a reduction in a person's (or couple's) capital then the deprivation of capital provisions will be considered.

It is also understood that in Child Tax Credit and/or Working tax Credit cases, as part of the 'managed migration' process HMRC will be contacting people by phone to undertake a 'pre-migration check' to ensure that their Child Tax Credit and/or Working Tax Credit was being correctly assessed. This is important because it may have a bearing on the amount of any 'transitional protection' payment under Universal Credit. Please see 6. Transitional Element for more information.

Once the application for Universal Credit has been made, then any Child Tax Credit and/or Working Tax Credit entitlement would cease, and the person's award would be finalised.

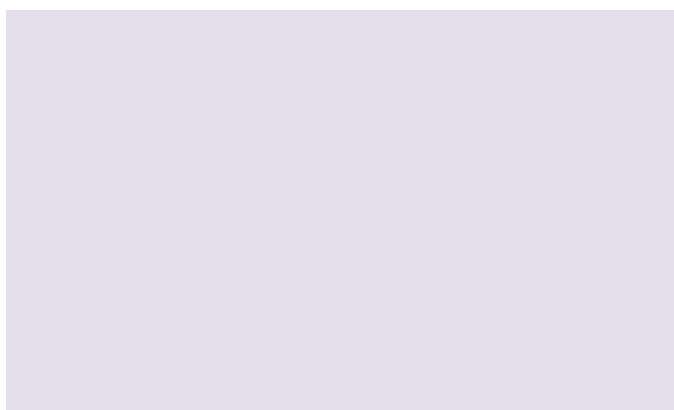
If, in this process, it is identified that the income figure used for the purposes of calculating Child Tax Credit and/or Working Tax Credit entitlement was higher than the actual person's (or couple's) income, then the person should get a lump sum arrears payment to make good the underpayment.

However, should it be established that the income figure used was lower than the actual income received during the relevant period, then the person will have been overpaid tax credits and the amount of the overpayment will be recovered from them.

5. Students: Special Transitional Rule...

Whilst the rights to some 'legacy benefits' (e.g. Income-based JSA and Housing Benefit) have been restricted for those in education, students were not disqualified from claiming Child Tax Credit and Working Tax Credit irrespective of the type of the course they were undertaking.

Therefore, students with children could apply for Child Tax Credit and similarly students who worked could seek to obtain Working Tax Credits.



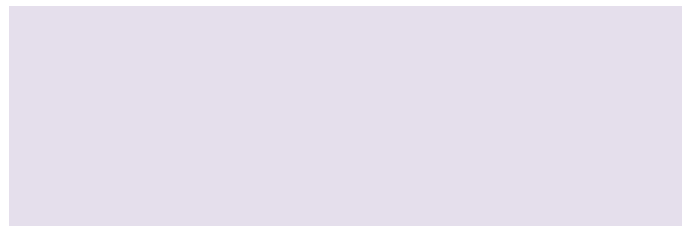
However, the rules on students claiming Universal Credit are different and certainly not as generous as those in place for Child Tax Credit and Working Tax Credit.

Under existing Universal Credit rules, a person who may be considered to be 'receiving education' may only apply for Universal Credit in limited circumstances.

Please see our [Fact Sheet 3: Benefits and Young People](#) for more information about the circumstances in which a person may apply for Universal Credit whilst studying. Do seek further information and advice necessary.

This does not mean that a student who receives a 'migration notice' will not be able to apply for Universal Credit.

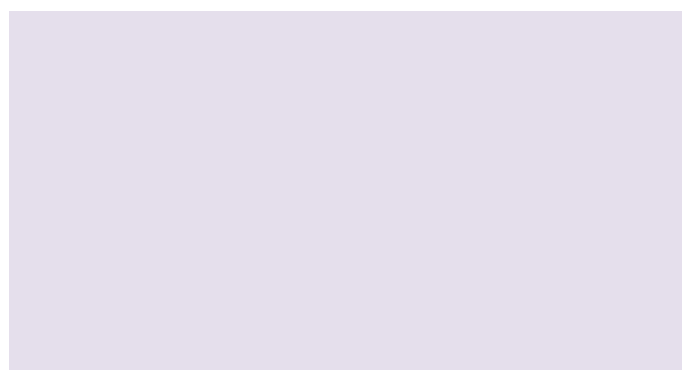
If the person is not able to meet the normal Universal Credit entitlement provisions for those in education, then they will be covered by the special transitional rule.



However, their ability to continue to receive Universal Credit as a student will only apply whilst they continue on their current course of study. Once they have finished this then they will only be entitled to Universal Credit if they are able to meet the normal rules of entitlement.

Regulation 60(1) to (2) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230
Regulation 13(1) to (4) Universal Credit Regulations 2013
- Statutory Instrument 2013 No.376

Of course, the actual amount of Universal Credit paid will, as in Child Tax Credit and Working Tax Credit cases, be reliant on the 'transitional capital disregard' rule, ordinarily depends on how much Universal Credit they are entitled to, the amount of their former 'legacy benefit' entitlement and any 'transitional element' they may be allowed. Please see 6 Transitional Element for more information.

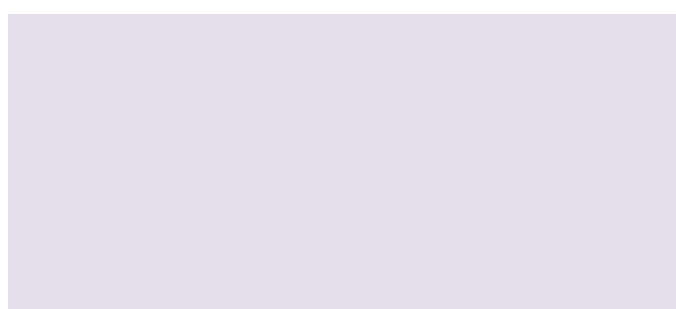


The DWP's own guidance, the Advice for Decision Makers (ADM), relating to 'managed migration' confirms in [Chapter M7280](#) that where a 'notified person' who is in a course of full-time education on the day on which the existing award of 'legacy benefits' terminates, then the condition of entitlement that Universal Credit is not available to people 'receiving education' will not apply. It will continue not to apply for as long as that person continues to undertake that particular course of education.

The transitional protection afforded to students who migrate from 'legacy benefits' may nonetheless be lost in the same way as a person may lose entitlement to the 'transitional capital disregard' afforded to claimants of Child Tax Credit and Working Tax Credit and that afforded to students more generally if they lose any 'transitional element' (see 6. Transitional Element).

However, should a student lose their right to Universal Credit, they may requalify using the student special transitional protection rule providing that when they claim, they remain in full-time education and they are able to meet the conditions of the 'transitional capital disregard' or 'transitional element'. See Advice for Decision Makers (ADM) [Chapter M7281](#) for confirmation of this.

Regulation 60(1) to (2) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230



6. Transitional Element...

When a person makes the move under 'managed migration' (not 'natural migration') to Universal Credit, if it is established that the value of their 'legacy benefits' was greater than the level of their Universal Credit entitlement, then they will be awarded a 'transitional element' within their overall Universal Credit entitlement.

This amount is designed to ensure that they will be no worse off at the point of migration.

"If the amount of Universal Credit a person is entitled to is less than the amount they were getting under the old system, an additional amount will be paid to ensure that they will be no worse off in cash terms."

Universal Credit: welfare that works (November 2010) - please see this [LINK](#).

A person will be entitled to a 'transitional element' if the value of their '**Total Legacy Amount**' is greater than their '**Indicative Universal Credit Amount**'.

Total Legacy Amount: This is the total amount of the person's (or couple's) 'legacy benefits' (Income-based JSA, Income-related ESA, Income Support, Child Tax Credit, Working Tax Credit and/or Housing Benefit) that was being received on 'migration day' (i.e. the day before they applied for / became entitled to Universal Credit).

Regulation 49 Universal Credit (Transitional Provisions) Regulations
2014 - Statutory Instrument 2014 No.1230
Regulation 53(1) to (10) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

If the person's Housing Benefit entitlement has been reduced due to the application of the [Benefit Cap](#), then the amount actually taken into account will be the lowered figure (i.e. the amount after the Benefit Cap has been applied).

Regulation 53(11) to (12) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

Indicative Universal Credit Amount: This is the amount of Universal Credit the person (or couple) would be entitled to on 'migration day' (i.e. the day before they applied for / became entitled to Universal Credit) taking into account the children for whom they receive Child Tax Credits and any childcare amount or earnings amount used for the purposes of calculating any Child Tax Credit / Working Tax Credit.

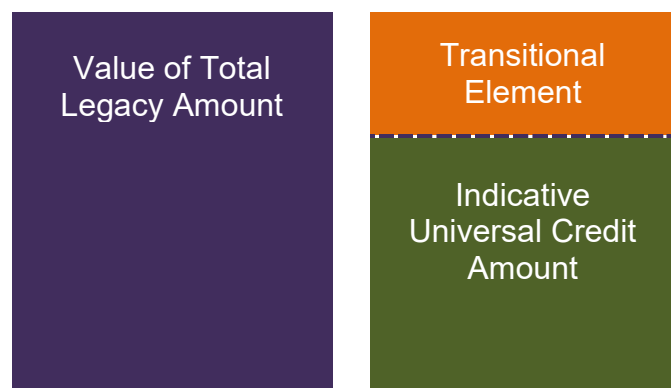
Regulation 49 Universal Credit (Transitional Provisions) Regulations
2014 - Statutory Instrument 2014 No.1230
Regulation 54(1) to (7) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

They should also seek to ensure that they are being awarded the correct amount of 'legacy benefit' and that they are getting all the 'disability premiums' and 'disability elements' that they should. Also, if they are being affected by the Benefit Cap or spare room subsidy (i.e. the 'bedroom tax') that an exemption does not apply.

If the Benefit Cap would apply to the person (couple), then this will be reflected in the amount of their 'Indicative Universal Credit Amount' figure.

Regulation 53(11) to (12) Universal Credit (Transitional Provisions) Regulations 2014 - Statutory Instrument 2014 No.1230

If the 'Total Legacy Amount' figure is greater than the person's (or couple's) 'Indicative Universal Credit Amount', then the amount of the 'transitional element' will be the difference between the two amounts.



However, if the 'Total Legacy Amount' figure is lower than the person's (or couple's) 'Indicative Universal Credit Amount', then they will not be eligible to any 'transitional element' amount, so they would just receive the normal amount of Universal Credit for their circumstances.

Once a Universal Credit award has been made that includes a 'transitional element' that element can be reduced (after the first monthly 'assessment period') or withdrawn altogether in a number of different situations.

People should seek to prepare for 'managed migration' by making sure that they, their partner and children they have, are claiming any 'disability benefits' [Disability Living Allowance (child), Personal Independence Payment (working age) or Attendance Allowance (pension age)] or 'carer benefits' [Carer's Allowance] that they are entitled to.

Case Study Three: Trevor is a lone parent. He is aged 38 and is severely disabled. He has been assessed under the Work Capability Assessment (WCA) as having 'limited capability for work' and 'limited capability for work-related activity'. He has a young daughter. His rent is £115.00 per week. Trevor presently receives:

- £976.95 per month Income-related ESA
- £315.00 per month Child Tax Credit
- £498.33 per month Housing Benefit
- £104.00 per month Child Benefit
- £411.66 per month Personal Independence Payment

In addition to this he also receives Council Tax Support to help him with his council tax.

Therefore, as things stand Trevor's **Total Legacy Amount** (i.e. the value of his 'legacy benefits') would be £1,790.28 per month and his **Indicative Universal Credit Amount** (how much Universal Credit he would otherwise receive) would be £1,572.13 per month. So, when Trevor moves on to Universal Credit under 'managed migration' his total **Transitional Element** would be worth £218.15 per month (£1,790.28 less £1,572.13 = £218.15). He would still get his Child Benefit and Personal Independence Payment in addition to this.

The 'transitional element' will be reduced (eroded) by:

- any increase in the person's Universal Credit standard allowance or elements (except for the childcare element); or
- the value of any new element (e.g. the 'carer's element' or 'limited capability for work and work-related activity element') that may be awarded later on (except for the childcare element).

If a person is already getting the 'limited capability for work element' and then becomes eligible to the 'limited capability for work and work-related activity element' then the amount of their 'transitional element' will be reduced by the difference between the two sums.

Case Study Four: Henrika is aged 26 and disabled. She lives with her parents. She receives Income-related ESA and has done for a number of years. She has been assessed under the Work Capability Assessment (WCA) as having 'limited capability for work' but not 'limited capability for work-related activity'. Henrika presently receives:

- £513.50 per month Income-related ESA
- £295.10 per month Personal Independence Payment

Therefore, as things stand Henrika's **Total Legacy Amount** (i.e. the value of her 'legacy benefits') would be £513.50 per month and her **Indicative Universal Credit Amount** (how much Universal Credit she would otherwise receive) would be £515.05 per month. So, when Henrika moves on to Universal Credit under 'managed migration' she will not be eligible to any **Transitional Element**. This is because her Universal Credit is worth more than the total value of her 'legacy benefits'. Henrika would still get her Personal Independence Payment in addition to this.

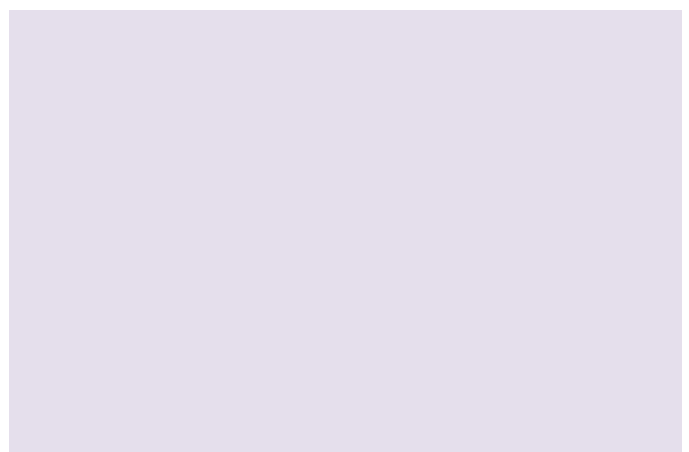
If the 'transitional element' should be reduced to zero by these changes then the person will no longer have any entitlement to this amount.

An entitlement to the 'transitional element' will end altogether:

- in the case of a joint claim should the couple separate
- in the case of a single person claim should the person become a member of a couple.

However, the second bullet point will not apply if the adjoining partner is not able to satisfy the conditions for Universal Credit. This could, for example be, if they are a Person Subject to Immigration Control (PSIC) or a person who does not have a 'right to reside' in the United Kingdom. Do seek further information and advice as necessary.

An entitlement to the 'transitional element' and the 'transitional capital disregard' (for those who have previously received Child Tax Credit and/or Working Tax Credit with capital over £16,000) will end if the person is working when they apply for Universal Credit and in the first 'assessment period' they have earned income equal to or above the 'Administrative Earnings Threshold' (AET) amount and there is then a period of three consecutive 'assessment periods' whereby their earnings fall below that threshold.



The AET presently stands at £743.00 per month for a single person - the 'single administrative threshold' (15 hours X £11.44 NMW multiplied by 52 weeks divided by 12 months = £743.60 - with any fraction amount being ignored).

When met, the AET normally determines that the person claiming Universal Credit will normally be exempt from the work search requirement under the 'work-related requirements' provision. However, depending on the person's other circumstances, they may still be required to engage in other 'work-related requirements' such as the requirement to engage in work-focused interviews and work preparation.

The same AET rule applies in couple situations but there is both an individual AET figure and a joint AET figure. The individual AET figure is £743.00 per month (as explained above). Whereas the joint couple figure is presently £1,189.00 per month (24 hours X £11.44 NMW multiplied by 52 weeks divided by 12 months = £1,189.77 - with any fraction amount being ignored). So, if one member of a couple earns above £743.00 but below £1,189.00 and the other member does not work then the working member will not be expected to look for work but the none working member would. If either individually or jointly the couple had earnings above £1,189.00 then neither of them would be expected to look for work.

Note: In the Spring Budget (15th March 2023) it was announced that at some point the 'single administrative threshold' will be increased from 15 hours per week to 18 hours per week. At the same time, it was announced that the 'couple administrative threshold' would be scrapped and that in the case of joint claims each member of the couple would need to meet the 'single administrative threshold'.

Spring Budget 2023

Please see this [LINK](#) (Chapter 4.146) for further details. It is not known when this change will actually be introduced.

If the person is **self-employed** then they will be treated as having earnings that are the same as / equal to the 'Administrative Earnings Threshold' (AET) in any 'assessment period' in which the 'minimum income floor' (MIF) applies to them or in any 'assessment period' where it would apply but for the start-up period. Please see this [LINK](#) for more information about the MIF and this [LINK](#) (Chapter M7535) for further details of how the AET provision / loss of 'transitional protection' may be lost in cases where a person is self-employed.

Regulation 56(1) and (3) Universal Credit (Transitional Provisions) Regulations 2014 - Statutory Instrument 2014 No.1230
Regulation 99(6) Universal Credit Regulations 2013 - Statutory Instrument 2013 No.376
The Universal Credit (Administrative Earnings Threshold) (Amendment) Regulations 2023 - Statutory Instrument 2023 No.7

Please do not confuse the 'Administrative Earnings Threshold' (AET) provision outlined above with the 'earnings threshold' provision. Under the 'earnings threshold' rule if a person's gross earnings are equal to or above this amount then they are not expected to undertake any 'work-related requirements' (e.g. look for work / engage in work-focused interviews) as a condition of their Universal Credit entitlement. The usual 'earnings threshold' figure is 35 hours X the NMW multiplied by 52 weeks divided by 12 months. The 35 hours figure is the number of hours a person is normally expected to work under Universal Credit. However, that number can be reduced if the person has e.g. health problems or a caring responsibility. In couple cases a joint 'earnings threshold' amount is used. Then depending on the overall earnings of the couple it could be that one of them is excused from any 'work-related requirements' or both of them. Please do seek further information and advice as necessary.

Regulation 90(1) to (6) Universal Credit Regulations 2013 - Statutory Instrument 2013 No.376

Discretionary Housing Payment (DHP): Is an award of extra financial support paid by local councils to people who need help with a 'housing cost' e.g. help to pay their rent or money for rent in advance / a rent deposit.

Only people who receive Housing Benefit or Universal Credit (with help towards their rent / service charges) are able to apply for a DHP. Anyone living in Wolverhampton who is affected by 'managed migration (or 'natural migration') and as a result, they lose their Housing Benefit entitlement and in consequence their DHP, but they remain in need of extra financial support, then they should ring our Customer Services on 01902 551155 and explain that they want their DHP to continue.

Please see this [LINK](#) for further information. Anyone who wishes to apply for a DHP for the first time may use this [LINK](#) to apply.

The term excludes any error of law which is shown to have been such by a subsequent decision of the Upper Tribunal or appellant court.

Regulation 62(1) and (2) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

An entitlement to the 'transitional element' may also be reviewed if, on or after 'migration day', a benefit decision is made following a revision or supersession against an existing benefit (or an appeal in relation to such an application) made prior to 'migration day'. This could, for example, be where a person has, upon a 'mandatory reconsideration' or 'appeal' been awarded Personal Independence Payment (PIP) and this has led to an increase in the amount of 'legacy benefit' entitlement used in the Total Legacy Amount figure.

Regulation 62(1)(b) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

An entitlement to the 'transitional element' will also end if a person's entitlement to Universal Credit ends. However, if the award ended because a person's earnings (or in the case of a joint claim, the couple's combined earnings) become so high so as to knock them off Universal Credit, then should the person reapply and qualify for Universal Credit within three months of the end of their last 'assessment period', then the previous 'transitional element' can be reinstated.

Regulation 57(1) to (3) Universal Credit (Transitional Provisions)
Regulations 2014 - Statutory Instrument 2014 No.1230

An entitlement to the 'transitional element' may be reviewed if it is established that the information held on 'migration day' was 'inaccurate or incomplete in some material respect' because (a) the person (or their partner) misrepresented their circumstances; or (b) they failed to report information that they had an obligation to report where that failure was advantageous to them; or (c) due to an 'official error'.

Here "official error" means an error that was made by the DWP / HMRC (or an employee of a body acting on behalf of DWP / HMRC) or a local authority that administers Housing Benefit. Moreover, to count as an 'official error' the error must not have been caused (or materially contributed to) by anyone outside the DWP / HMRC or local authority.

Physical or Mental Health Condition: If a person has been assessed as having 'limited capability for work' (LCW) and/or 'limited capability for work-related activity' (LCWRA) under the Work Capability Assessment (WCA) then this assessment should automatically transfer through for the purposes of their Universal Credit claim. If a person making a claim for Universal Credit has health problems which may affect their ability to work and they do not have a current WCA, then they should make sure to highlight their health problems when applying for Universal Credit and submit a

Continued...

Fit Note (available from their GP) to evidence the health problems affecting them. This should then trigger an assessment under the WCA and in turn dictate what (if anything) may be expected of them under the Claimant Commitment in terms of looking for work and being available for work. Please see 10. Claimant Commitment (on page 19) for further details. Moreover, depending on the outcome of the WCA it could lead to them qualifying for a greater amount of Universal Credit than they might otherwise receive.

This is because they invariably would have ended up worse off under Universal Credit because Universal Credit has no equivalent to the SDP.

Instead, during the relevant period, such groups were expected to remain on 'legacy benefits' despite any relevant change in their circumstance. However, this exclusion has since been lifted meaning that such groups are now allowed / required to make the move on to Universal Credit where 'natural migration' has been triggered by a relevant change in the person's circumstances.

7. The Severe Disability Premium...

The Severe Disability Premium (SDP) is an extra award of money to people getting Income-based JSA, Income-related ESA and Income Support (and Housing Benefit) if they have been awarded a 'disability benefit' and they live alone (or may be considered to live alone because the people they live with may be considered to be invisible) and no one receives Carer's Allowance (or extra Universal Credit) for looking after them.

It is worth up to an extra £76.40 per week (or in some couple situations an extra £152.80 per week) to those that qualify.

Between the period from **16th January 2019** to **27th January 2021**, people whose 'legacy benefit' included an award of an SDP were excluded from the 'natural migration' process.

However, in making the transition to Universal Credit, the person will receive a 'Transitional SDP Element' to compensate them in part for the fact that the move on to Universal Credit has left them worse off.

These transitional protection payments were introduced by the DWP following a High Court ruling that it was unlawful for the DWP to expect people with an SDP to move on to Universal Credit under Natural Migration because of the consequential loss in benefit income.

The transitional payment can range from as little as £120.00 per month to as much as £445.91 per month. How much transitional payment is awarded largely depends on whether the person making the move is single or a member of a couple and whether they have been assessed as having 'limited capability for work' and/or 'limited capability for work-related activity' and the date upon which they moved from their 'legacy benefits' to Universal Credit.

If they are a member of the couple, then it will depend upon whether they received two SDPs or one.

Anyone who was getting the SDP and moved from 'legacy benefits' to Universal Credit before 16th January 2019 should have been contacted by the DWP and either awarded a payment to compensation for arrears of lost benefit income together with an ongoing transitional protection payment (called a 'Transitional SDP Amount') or returned on to their old 'legacy benefits'.

Note: More recently a new High Court ruling in [\[2022\] EWHC 123](#) (Judgement dated 21.1.2022) has held that the loss of benefit income experienced by some disabled claimants / claimants with disabled children when moving to Universal Credit under 'natural migration', is also unlawful discrimination.

Given the High Court's ruling that leaving people significantly worse off when the transition under 'natural migration' was unlawful, it may be advisable for people who find themselves in this situation to challenge the Universal Credit decision. The premise being that the decision which leaves them worse off is unlawful. Do seek further information and advice as necessary.

Note: No transitional payment will be paid where the only 'legacy benefit' in payment was Housing Benefit and it was within this benefit that the award of an SDP was contained.

Those people who are sent a 'migration notice' under 'managed migration' will not be afforded a Transitional SDP Element'. They will instead, as explained in 6. Transitional Element, receive a 'transitional element' should the level of their 'legacy benefit' entitlement be greater than the level of their Universal Credit entitlement.

8. Learning from the Discovery Phase...

In January 2022, after the pandemic, the DWP restarted the 'design work' on 'managed migration' through a 'Discovery phase' type project.

The aim was to learn how best to move people from 'legacy benefits' on to Universal Credit.

Amongst the stated aims were the aims to learn:

- How best to successfully identify different groups of people to move to Universal Credit
- What will motivate people to move and make a claim
- The degree of support different groups of claimants will need to successfully make their claim
- How best to accurately calculate and pay Universal Credit, including any Transitional Protection entitlement
- What needs to be put in place in order to scale up the delivery of 'managed migration'.

The first test, called the 'Earliest Testable Service' (ETS), involved issuing 499 'migration notices' to people living in Bolton and Medway and establishing a 'service centre' to track the journey of claimants whilst offering a dedicated helpline designed to provide claimants with additional support as required.

Moreover, under this testing, people who needed further support were able to visit their local Job Centre to seek further advice and guidance. Under this Discovery phase, people who did not apply for Universal Credit in time were given a one-month deadline extension and contacted by phone or text message to 'encourage' or prompt them to make the move. In some cases, even home visits were conducted to support those who needed it.

Some of the findings of this Discovery phase were that of the 499 people who received a 'migration notice':

- 36% contacted the telephone helpline
- 37% who contacted the telephone helpline did so on more than one occasion
- 65% needed advice on how to claim
- 30% were not digitally connected
- 11% expressed concerns about being paid monthly
- 81% claimed by their original deadline
- 14% claimed within the first 2 weeks of being sent their 'migration notice'
- 55% claimed by their original deadline having had a reminder
- 16% claimed in the week leading up to their original migration deadline
- 13% claimed between their original and extended deadlines
- 6% claimed after their extended deadline.

By close of the project 439 (88%) made a claim for Universal Credit and in 2 (0.4%) cases the 'migration notice' was cancelled.

Worryingly, 51 (10.2%) had their 'legacy benefit' entitlement terminated. Of these, 49 were tax credit claimants and 2 DWP benefit claimants. This is because they did not apply for Universal Credit. It is not known what people's reasons were for not claiming.

What is of interest, is that 7 (1.4%) Income-related ESA claimants were deemed to be not yet ready to make a claim.

In these cases, no decision was made to terminate their 'legacy benefit' entitlement because it was recognised that they needed particular support needs.

What was also of interest is the fact that of those who made the move on to Universal Credit, 50% were awarded a 'transitional element' because the value of their 'legacy benefits' was greater than the value of their Universal Credit entitlement.

The report recognised that amongst the 499 cohort there were vulnerable people who were unable to apply (vs will not apply) who would require a 'significant extension' to the migration period to enable them to get the help needed to apply for Universal Credit.

Please see this [LINK](#) for details of the full report - Completing the move to Universal Credit: Learning from the Discovery Phase (dated 10th January 2023).

9. Applying for Universal Credit...

Once a person has been selected to apply for Universal Credit then they must normally do so and the expectation is that they will make the claim for Universal Credit online.

Anyone looking to apply for Universal Credit can go to this [LINK](#) to make a claim / find out what information they will need (e.g. National Insurance number, payslips, bank details, information about their tenancy and proof of identity) to complete a claim.

If a person living in Wolverhampton needs help to apply online, then they may contact the Citizens Advice 'Help to Claim' team on 0800 144 8444 between 8am and 6pm - Monday to Friday.



If they need a translator because their first language is not English, then they should ask. See this [LINK](#) for more information on this service.

Helpfully the Help to Claim team can organise a three-way call with the claimant and Universal Credit if the person would struggle to make an online claim and they need support to apply over the phone. If a person is not able to apply online, then they should contact the Universal Credit Helpline directly on 0800 328 5644 (between 8am and 6pm Monday to Friday) where they may be sign posted to a local group / organisation who can help them to make the claim. Alternatively, they may allow the person to make their application over the phone.

Once a person applies for Universal Credit (whether that be online or by some other means), they will need to undergo a face-to-face interview to verify their identity and financial circumstances.

If a person applies for Universal Credit in time but then fails to follow up the verification part of their claim, then the DWP will treat this as a 'failed claim' and they will not be entitled to Universal Credit with or without any 'transitional element' amount.

Once a person has been awarded Universal Credit (and in consequence their 'legacy benefit' entitlement ended), they will remain on Universal Credit. They will not be allowed to return to their 'legacy benefits'.

Preparing to Apply for Universal Credit:

People can take steps now in readiness for the time when they will be required to apply for Universal Credit. They can do this by:

- ensuring that they have at hand details of their tenancy / their tenancy agreement - how much their rent / service charges are together with the name and address of their landlord or letting agent
- having knowledge of their former address and postcode if they have moved within the previous six months
- having at hand the birth certificates of any dependent children who they want included in their claim
- having at hand the name and date of birth of anyone who lives with them e.g. an elderly relative or grown up son or daughter
- having confirmation of their savings and investments (e.g. shares or property excluding the property in which they live).

If the person applying for Universal Credit is working, then they will need to have copies of their most recent wage slips showing details of their earnings / take home pay and deductions. If they pay for childcare, then they will also need confirmation of the amount paid.

If the application is being made online, then the person will need an email address and access to a mobile phone. In couple cases, both members will need an individual (not shared) email address.

Whilst having a bank, building society or credit union account is not a strict requirement for claiming Universal Credit it is, of course, an advantage. See Payment Exception Service on page 22 for more information.

Also, remember that as part of the overall process, a claimant and their partner will need to verify their identity. This will be more straightforward should they have a passport or photo driving licence.

Couples should be aware that they will ordinarily need to make a 'joint claim' for Universal Credit albeit that this will involve them having to actually make a separate individual application. When Partner 1 starts their claim, they will be given a 'linking code'. They should keep this safe, as Partner 2 will need it for their claim. When Partner 2 starts their claim, they will be asked if they have a 'linking code'. They should then type in the code that was given to Partner 1 during their application. It is important in couple cases that Partner 2 follows this process and does not initiate a claim and separate linking code, as this can cause problems with the claim.

Please do seek further information and advice as necessary.

10. The Claimant Commitment...

When a person applies for Universal Credit then they will be expected to agree to a 'claimant commitment' which will outline which 'work-related requirements' (if any) they will be expected to adhere to as a condition of their entitlement to Universal Credit.

In couple situations both members will be required to have an individually tailored 'claimant commitment'.

The need for a 'claimant commitment' can be **waived** in the case of someone who lacks capacity (including mental capacity) or in 'exceptional circumstances' which means that it would be 'unreasonable' to expect the person to have one.

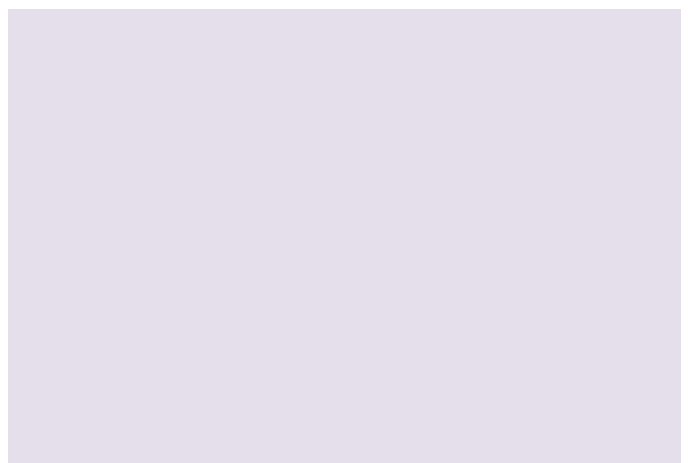
Regulation 16(a) and (b) Universal Credit Regulations 2013 - Statutory Instrument 2013 No.376



Since 15th February 2022 a person may be exempt from needing to have a 'claimant commitment' if they may be considered to be terminally ill.

A person will be considered to be 'terminally ill' if they are suffering from a progressive disease and their death, in consequence of that disease, can be reasonably expected within 12 months.

Regulation 1 The Universal Credit and Employment and Support Allowance (Claimant Commitment Exceptions) (Amendment) Regulations 2022 - Statutory Instrument 2022 No.60

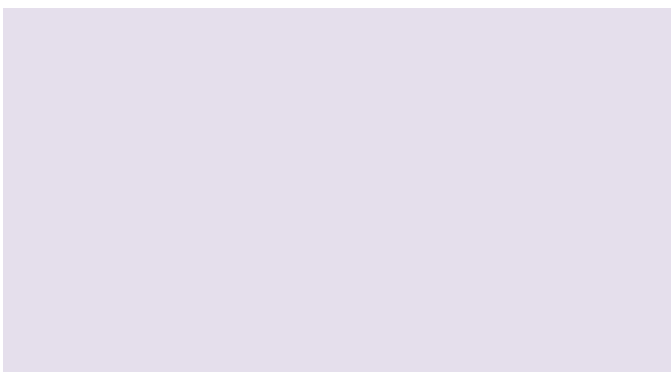


There are four 'work-related requirements':

- **Work-focused Interviews:** Will involve the person agreeing to take part in periodic meetings / discussions with a Job Centre Work Coach designed to look at barriers to employment and support that may be needed to improve their job prospects. It may be that the focus of the interview will be connected to enabling a person to remain in work, obtain more work or better paid work.

- **Work Preparation:** Will require the person to engage in undertakings designed to improve their job prospects. As part of this, a person may be expected to participate in skills training and work experience programmes.
- **Work Search:** Will involve a person looking for work, more work or better paid work.
- **Work Availability:** Will require the person to be able and willing to undertake paid employment, more paid employment or better paid employment.

Which 'work-related requirements' apply will depend on their personal circumstances - whether they suffer poor health, have caring or childcare responsibilities, whether they are already working and the level of their earnings. In some cases (e.g. where the person is terminally ill, experiences poor physical or mental health, is a carer of a disabled person or the 'responsible carer' of a young child) a person may be excused from any 'work-related requirements'.



If a person fails without 'good reason' to meet the 'work-related requirements' which apply to them, then they may be sanctioned whereby the amount of their Universal Credit entitlement will be reduced for a designated period.

Please see our [Information Guide 3: The Claimant Commitment](#) for more details. Do seek further information and advice as necessary.

11. The Legacy Benefits...

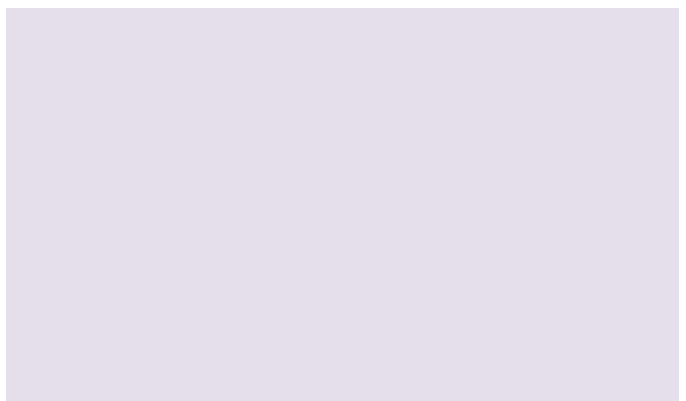
Universal Credit is replacing the following benefits - the so called 'legacy benefits':

- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Income Support (IS)
- Housing Benefit (HB)
- Child Tax Credit (CTC)
- Working Tax Credit (WTC)

However, Universal Credit is not replacing:

- Council Tax Support
- New Style JSA
- New Style ESA
- New State Pension
- State Retirement Pension
- Pension Credit
- Attendance Allowance
- Personal Independence Payment
- Disability Living Allowance
- Carer's Allowance
- Child Benefit / Guardian's Allowance
- Statutory Sick Pay
- Industrial Injuries Benefit

Although Universal Credit is replaced Housing Benefit, some people are still able to get Housing Benefit. This applies to people who are living in 'supported accommodation' (see 3. Managed Migration and the Migration Notice on page 7 for details of what counts as 'supported accommodation') then they may claim Housing Benefit to help them with their rent / service charges and not Universal Credit.

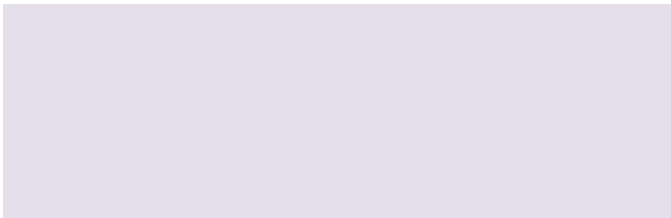


Therefore, there will be people who are living in supported accommodation who get Universal Credit for their day-to-day living but Housing Benefit towards their rent.

12. Payments and Budgeting

Any Universal Credit entitlement will be paid by way of a single monthly payment paid in arrears. Because of the way Universal Credit is administered, people will normally have to wait five weeks (one month plus one week) before they get their first payment. Payments will include financial support towards a person's day-to-day living costs and assistance towards their rent should they live in rented accommodation.

Once paid, it will be up to the claimant to manage their money and pay their rent on time, etc.

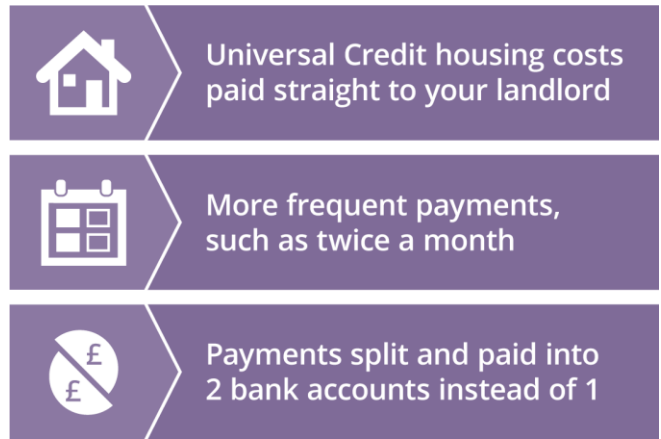


A person may apply to get an **Advance Payment** of Universal Credit whilst they are awaiting their first payment, if they are in 'financial need' - meaning there is a 'serious risk' of damage to their health or safety should they not get any money. Any award of an Advanced Payment will be recovered by deductions from any subsequent payments of Universal Credit. The repayment period for an Advanced Payment is 24 months.

In some cases [Alternative Payment Arrangements](#) (APAs) may be made available to those who need additional support by means of:

- paying their rent as a 'managed payment' direct to their landlord in order to safeguard their tenancy
- more frequent payments (e.g. twice monthly or four times monthly) where needed.

In couple situations, split payments may be agreed where there is financial abuse, e.g. one partner mis-manages the Universal Credit payment or where domestic violence is an issue, but the couple remain living together.



Any Alternative Payment Arrangement will be 'claimant centric' - that is to say that the arrangement will be discussed and considered with the claimant and applications will be considered on an individual case-by-case basis.

Alternative Payment Arrangements can be considered at any point during the life of a Universal Credit claim.

If a person is having problems paying their rent then they should consider the help available under the [Managed Payment](#) scheme.

A person can ask for Managed Payments to their landlord through their Journal, Job Centre Work Coach or the Universal Credit Service Centre (Telephone: 0800 328 5644) where they:

- are in arrears with their rent of more than **two months**; or
- have 'continually underpaid' their rent over a period of time and they have rent arrears equal to more than **one month's** rent.

In either of the above situations, a landlord can request a managed payment of rent (plus a payment towards any rent arrears) online (see this [LINK](#) - this replaced the former UC47 form process) or through the Universal Credit Service Centre on 0800 328 5644.

Further, a Managed Payment can be requested when a tenant would struggle to pay their rent due to e.g. alcohol or drug dependency issues or because they cannot manage their finances due to a mental health condition or learning disability.

A Managed Payment may also be requested if a person's tenancy would otherwise be at risk due to their poor money management skills.

- a Payment Card; or
- an email voucher; or
- a text message containing a unique reference number.

The decision about whether to allow an Alternative Payment Arrangement will be made by the DWP, taking into account the claimant's personal and financial circumstances.

Whilst there is no right of appeal against a decision which refuses an Alternative Payment Arrangement, a person can nonetheless ask the DWP to look again at any decision refusing an APA and should do so if they believe the decision was made in ignorance of their true circumstances.

Housing Benefit - Rent Direct: It may just be that a person who has been getting Housing Benefit has seen their payments paid direct to their landlord where they had fallen into rent arrears in past, or it has been decided it was improbable that they will pay their rent or that they are unlikely to be able to manage their own financial affairs. However, such direct payments will end when a person moves over to Universal Credit under 'managed migration'. If a person / landlord wants a similar arrangement to take place under Universal Credit, then they will need to make an application for a Managed Payment.

To access the payment, the person needs to show their Payment Card, email voucher or text message at any PayPoint outlet. Any payment must normally be collected within 30 days of being made.

However, there is a maximum £100 limit on each collection. Therefore, a person may need to make more than one collection to get the Universal Credit paid to them.

When collecting the payment, the person will need to show original documentation (e.g. a passport, driving licence, utility bill, council tax bill or tenancy agreement) to verify their identity. If a person is unable to collect their payment themselves, then they can send someone to collect it for them.

However, they will need to take the person's payment card, voucher or text message and proof of identity of the person to whom the payment has been made and proof of their own identity.

13. Tax Credits and Pension Age People

Under the [Payment Exception Service](#) payment can, in very limited circumstances, be made to those without a bank (or similar account) by way of:

As part of bringing a complete close to the tax credit system those people of 'state pension age' (presently 66 but see this [LINK](#) for more information) the DWP will start from July 2024 writing to people who have been getting Working Tax Credit and/or Child Tax Credit explaining the end of Working Tax Credit / Child Benefit and what will happen next.

There are essentially three groups of people affected by all this. There are those:

- **Group One:** Who are getting CTC and/or WTC who are getting Pension Credit. They will be expected to remain on Pension Credit but get a 'transitional additional amount' to protect them from being worse off given the loss of their tax credit entitlement.
- **Group Two:** Who are getting CTC (who do not get WTC) but who are not claiming Pension Credit. They will be expected to apply for Pension Credit and any Pension Credit award will include a child element amount for any children they have for whom they are responsible.
- **Group Three:** Who are getting WTC (with or without CTC) but who are not getting Pension Credit. They will be expected to apply for Universal Credit.

The principles are similar to the provisions for 'working age' people (those aged under 'state pension age') who have been getting a 'legacy benefit' - they will each be issued with Tax Credit Closure Notice or Tax Credit Migration Notice advising them of their need to apply for Pension Credit or Universal Credit depending on the particular situation.

In Group One cases the Tax Credit Closure Notice will not advise of the need to apply for Pension Credit only that the person's tax credit entitlement will be ending and that their Pension Credit will be automatically adjusted to allow for any loss in CTC/WTC.

As with the other arrangements outlined in this Information Guide, provisions have been put in place to award people a form of 'transitional protection' designed to ensure that people are, in principle, no worse off following any move from Child Tax Credit / Working Tax Credit to Pension Credit or Universal Credit.

Special measures have been put in place to waive the upper age limit for those in Group Three to enable them to apply for Universal Credit.

The intention is to bring the tax credits system to a complete end by close of play on 5th April 2025.

It is understood that approximately 28,000 in total will be affected by these measures across the country.

The Statutory Guidance that provides an overview of what is taking place is 04-24 Closure of Tax Credits for Pension Age Claimants and Transfer to Universal Credit and Pension Credit (see this [LINK](#)).

Please see our [Benefits Bulletin 8 \[2024\] Managed Migration: Pension Age](#) (dated 15th July 2024) for more information.

14. Information Guides and Fact Sheets

The Welfare Rights Service produces the following Information Guides and Fact Sheets on Social Security benefits and welfare reform.

Benefits Information Guides:

1. Universal Credit
2. Universal Credit - Claims and Payments
3. Universal Credit - The Claimant Commitment
4. Universal Credit - Sanctions and Hardship Payments
5. Universal Credit and Vulnerable People - Claims and Payments
6. Universal Credit - Managed Migration
7. Universal Credit and The Work Capability Assessment - Toolkit
8. Personal Independence Payment
9. Personal Independence Payment - Toolkit
10. Form Filling: PIP2
11. Form Filling: ESA50 / UC50
12. DWP Social Fund
13. The Spare Room Subsidy
14. The Benefit Cap
15. Disputes and Appeals
16. Going to Appeal: First-tier Tribunals

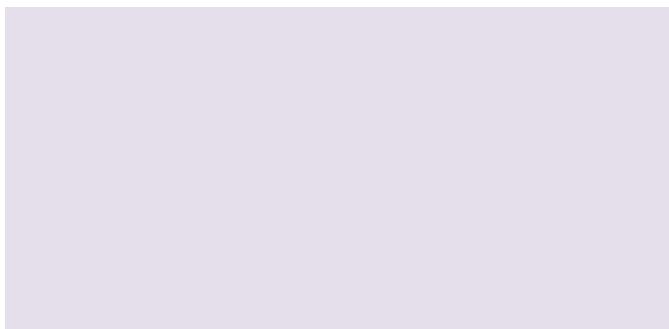
Benefits Fact Sheets:

1. Benefits and Work
2. Benefits and Disabled Children
3. Benefits and Young People
4. Benefits and Older People
5. Benefits and People from Abroad
6. Private Tenants and Universal Credit
7. Volunteering and Benefits

The information provided is designed to provide details of the different benefits that

may be available to people in a variety of different situations including when they are in work, unable to work due to ill-health, unemployed or retired. It also seeks to inform people of the steps that may be taken should they wish to dispute a decision made surrounding their benefit entitlement.

A copy of the Information Guides and Fact Sheets may, together with other topical benefit information, be obtained from our [Social Security Benefits](#) page on the City of Wolverhampton Council website.



Please also watch out for our periodical **Benefits Bulletins** which provide news on the latest developments surrounding benefits and welfare reform. These are also available on the website.

☎ Telephone: (01902) 555351

✉ Email: WRS@wolverhampton.gov.uk

Note: The details provided in this and our other Information Guides and Fact Sheets is meant to provide an overview on important and topical issues relating to Social Security benefits and welfare reform. The details should not be treated as an authoritative statement of the law. The details may be subject to change by new regulation and/or case law. Do seek further information and advice as necessary.

Welfare Rights Service
Specialist Support Team
City of Wolverhampton Council