

Transitional Protection for legacy benefit claimants entitled to the Severe Disability Premium

- A Severe Disability Premium (SDP) is an extra amount that is included in some means-tested benefits to help with the cost of disability. It can be included in Income Support, income-related Employment & Support Allowance, income-based Jobseeker's Allowance, Guarantee Pension Credit and Housing Benefit, but not UC.
- Transitional Protection (TP) is an extra 'transitional' amount which tops up your Universal Credit (UC) award so that you are not worse off when you move onto Universal Credit.
- TP will only be available to people who are moved over to UC even though nothing has happened which makes them start a new benefit claim. This process is referred to as 'managed migration.'
- There will not be any managed migration cases until UC full service is available in all areas. The DWP is planning to start managed migration in July 2019 however the completion of this migration has been pushed back to March 2023.

UC Full Business Case Changes

1. The recently published UC Full Business Case has announced some new regulations around Transitional protection to be brought in in the autumn.
2. A new 'gateway' condition will be introduced to new UC claims in autumn 2018 that will prevent those with an SDP from having to naturally migrate over to UC. They will remain on legacy benefits until managed migration begins in our area. Our research indicates there may be as many as 3,000 such claimants receiving Housing Benefit alone.
3. A small number of SDP claimants are expected to have made new claims and have 'naturally' migrated to UC prior to these new regulations being introduced. They will be compensated and transitional protection added to their claims retrospectively, although the details of this scheme are yet to be announced.
4. Those who receive SDP will now be migrated over to Universal Credit only after managed migration is underway in our area, to ensure the same level of income is maintained via TP.
5. To encourage short-term or temporary work for parents and increase their earnings, the award of, or increase in, support for childcare costs will no longer erode TP.
6. Previously, short-term increases would end TP awards. The new regulations propose to "re-award" claimants' TP that has ceased so long as they make a new claim for UC within three months of when they last received additional payments.
7. Introduction of a 12-month disregard of capital over £16k for Tax Credit legacy claimants only, to effectively give transitional protection to TC claimants who would otherwise not qualify for UC.

Link to relevant document:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718580/uc-transitional-regs-2018-explanatory-memorandum.pdf