



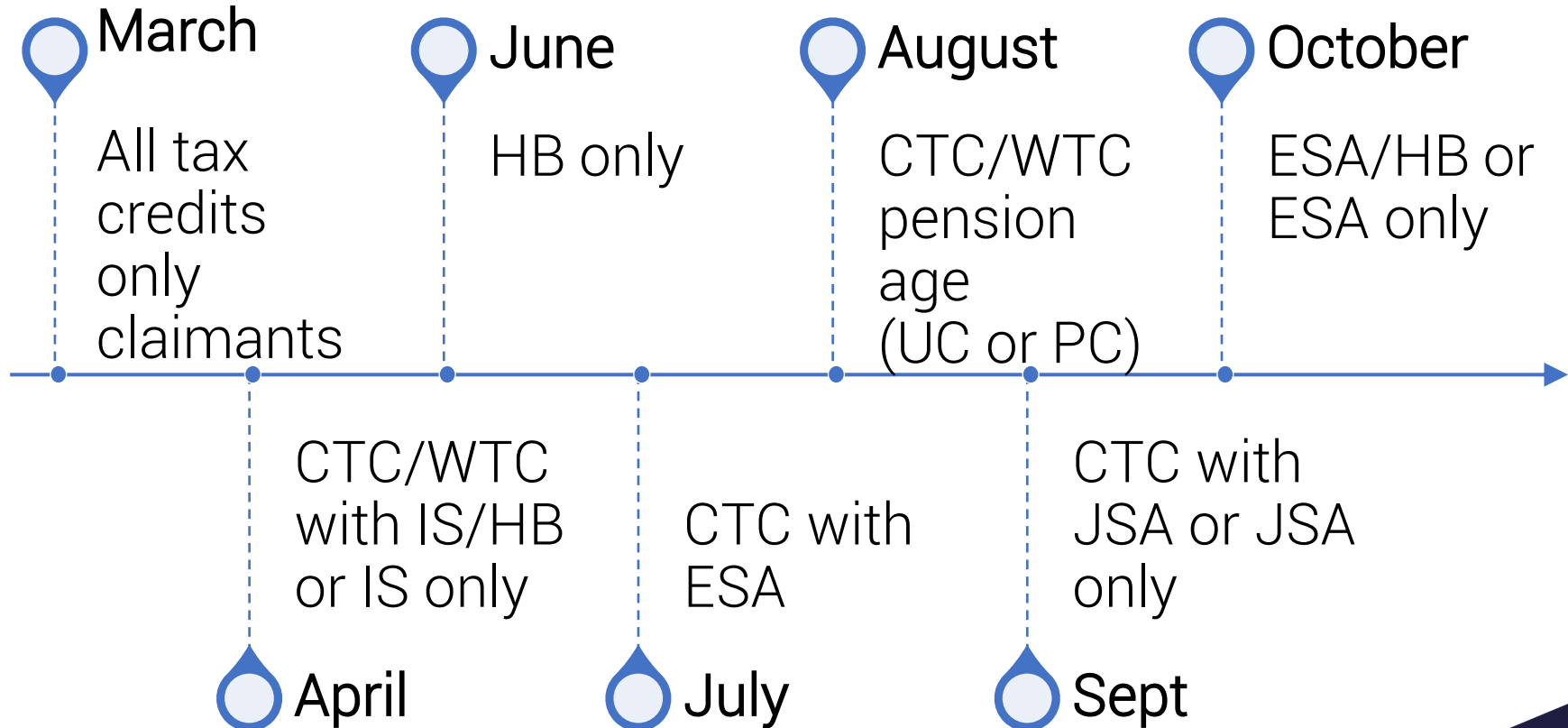
Welfare Rights Conference 2024

Universal credit managed migration – advising on transitional protection

Mark Willis,
Welfare Rights Adviser, CPAG in Scotland



Managed migration: timetable



Tax credits only claimants

- All should have received a migration notice by now
- 821,430 migration notices issued to tax credit claimants July 2022 to March 2024
- 22% did not claim UC before final deadline
- 29% still in progress (before final deadline)
- 49% claimed UC
- 60% of UC claims awarded transitional protection

Tax credits: case study

On migration day, Clive is entitled to WTC/CTC and owns property worth over £50,000. Clive rents his home but does not get HB. He intends to sell the property and use his capital for a deposit on a new home.

- Does his indicative UC amount and/or maximum UC include the housing costs element ?
- Does he qualify for the transitional capital disregard?
- What happens if he sells the property/buys a new home?

Tax credits only: advice

- DWP confirmed housing costs element not included in indicative UC amount but will be in actual UC
- Transitional capital disregard applies for 12 assessment periods
- 6-month disregard can also apply *from date first takes steps to dispose of property (can be extended)*
- If sells property and has money in bank over £16,000: transitional capital disregard continues to apply
- If uses money to buy home: deprivation after 12 APs?

Tax credits + HB/IS (April/May)

- Remaining WTC claimants entitled to HB
- CTC and IS claimants, e.g. lone parents with a child under 5, and carers
- IS only and IS/HB claimants
- Benefit cap applies to total legacy amount if not exempt = £1,835 a month
- Lone parent with four children
IS + CTC + CB = £1,917.98 pcm

CTC + HB: case study (student)

Lauren is a lone parent with one child. Her child is entitled to CDP middle rate care. She is a full-time student and does not get CA/CSP. She is entitled to maximum CTC and some HB in term-time, after taking student income into account, and full HB in the summer vacation. Her deadline day is 12th September. Her course starts back on 9th September.

- When should she claim UC?
- What to look out for in her indicative UC amount?

CTC + HB: advice

- **Wait until AP in which course starts before claiming UC:**
If she claims UC during term-time, student income must be included, so indicative UC amount will be lower and TE higher.
- **What to look out for in her indicative UC amount:**
Disabled child element lower rate = CTC £347.50 pcm
UC £156.11 pcm
No carer element: does not meet CA conditions (but will qualify for CSP – backdate?)

HB only claimants (June)

- Total legacy amount = HB award in payment x 52/12
- Indicative UC amount = standard allowance + housing costs element + other elements as applicable – reduced by unearned income in full/earnings after WA/taper
- Those in work likely to better off on UC?
- Those with high unearned income likely to be worse off?
- High non-dependant deductions: better off on UC?
- Bedroom for overnight carer / temp absence rules: worse off on UC?

CTC + ESA claimants (July)

- Total legacy amount = CTC + ESA (+ HB)
- LCW/LCWRA from start of UC award: elements, work allowance, work-related requirements
- Old-style (contributory) ESA can continue as new-style ESA: counts as unearned income in full for indicative UC amount and actual UC payable
- Permitted work? Indicative UC amount will not be reduced by earnings; actual UC will be reduced after work allowance and taper – worse off?

Pension age CTC/WTC claimants (July/August)

- Already on PC: stay on PC with child elements added
- CTC only: claim PC with transitional protection
- CTC/WTC or WTC only: claim UC with transitional protection
- Mixed age couples: claim UC
- 'Protected' mixed age couples (pre-15 May 2019): claim UC or reclaim HB/PC

CTC + JSA claimants (September)

- Total legacy amount = CTC + JSA (+ HB)
- All work-related requirements in UC (expected 30 hours a week if responsible for a child under 13)
- UC sanctions regime
- UC hardship payments recoverable
- If not earning at least AET (18 hrs pw x NLW=£892 pcm) in first assessment period, starting/stopping work does not affect transitional element

ESA only/ESA + HB (October)

“Enhanced support journey”

- These households will receive a text at week 12 to advise them that DWP will be phoning them. Three attempts (on different days) will be made to contact the household to offer support.
- Where no contact is made, DWP will refer ESA households for a home visit. Should the visit be unsuccessful, further escalations will be considered on a case-by-case basis.

Protecting against overpayments

- Check legacy benefits correct on migration day
- Ensure circumstances, income correct in UC claim
- Ask DWP to confirm that first UC payment is correct
- No grounds to revise decision – not misrepresentation, failure to disclose or official error?
- No right of appeal re recovery of UC overpayment:
Legitimate expectation – argue discretionary waiver
- Tax credits overpayments – appeal decision/dispute recovery before transfer to DWP

Challenging decisions

- Right of mandatory reconsideration/appeal against the decision in the first assessment period, including calculation of transitional element
- Request breakdown/calculation of TE
- Lodge request for review/notify changes before migration day
- Request revision of TE if change to legacy benefits, e.g. award of severe disability premium or disabled child element (lower rate)

Help for advisers in Scotland



Advice by telephone:
0141 552 0552

Monday to Thursday, 10am - 4pm,
Friday 10am - 12 noon

Advice by email:
advice@cpagscotland.org.uk

Free, independent, expert, up-to-date advice and information to frontline advisers and support staff on all aspects of the benefits and tax credits system.

More resources for advisers can be found at cpag.org.uk/welfare-rights