

Move to Universal Credit (managed migration): transitional protection top-up payment

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Background

Universal Credit is calculated differently to legacy benefits. This means that a claimant moving to Universal Credit might not be paid the same amount as they received before.

For those who claim Universal Credit as part of the Move to Universal Credit (managed migration) programme, if the amount of Universal Credit the claimant is entitled to is less than the amount they were entitled to on their legacy benefit(s), a transitional top-up payment is available.

To find out more about Move to Universal Credit (managed migration), see: [Move to Universal Credit \(managed migration\)](#).

Eligibility

Move to Universal Credit (managed migration) claimants who make a claim to Universal Credit within 1 month of the deadline date outlined in their migration notice are eligible to be considered for the transitional protection top-up payment.

If they make a claim more than one month after the date on their migration notice, they are not entitled to transitional protection top-up, even if their claim is backdated.

Some claimants who were in receipt of Severe Disability Premium (SDP) will also be in receipt of the transitional protection top-up payment, even though they are not part of the Move to Universal Credit (managed migration) programme. See: Spotlight on: Severe Disability Premium Transitional Protection overview.

Other than claimants previously in receipt of SDP, those who claim Universal Credit naturally through a change of circumstances or voluntarily, and are not part of the Move to Universal Credit (managed migration) programme, will not receive transitional protection.

Calculation

The transitional protection top-up payment is calculated by comparing the total amount of all legacy benefit(s) the claimant had been awarded, with the total amount of Universal Credit they would be entitled to (Universal Credit notional amount).

Where the Universal Credit indicative amount is lower, the transitional protection top-up payment will be paid to make up the difference as part of the Universal Credit award.

Impact on Universal Credit award

The monthly Transitional Protection is paid at the end of every assessment period as part of the Universal Credit award. It forms part of the maximum award calculation.

On the Universal Credit statement, it shows as a separate amount in the 'What you are entitled to' section, under the heading 'Transitional Protection'.

Earnings impact on the transitional protection top-up payment

An increase in earnings, will not erode a claimant's transitional protection top-up payment.

However, the top-up is added to the claimant's entitlement before any deductions in the same way as any other additional amount such as housing. So, while their transitional protection top-up payment entitlement is still the same, their award from Universal Credit may be lower due to the impact of the increased earnings.

A decrease in earnings does not impact a claimant's transitional protection top-up payment, unless they have earnings equal to or above the Administrative Earnings Threshold (AET) in their first assessment period, and their earnings then drop below the AET for 3 consecutive assessment periods at any time during the Universal Credit claim.

If this happens, the claimant's transitional protection payments will stop.

A claimant's transitional protection entitlement will not be affected by fluctuating earnings. Even if the claimant is earning a different amount each month, their

transitional protection entitlement remains the same unless it erodes for a different reason.

However, their award from Universal Credit will change based on the impact of their earnings, in the same way it would for any other claimant.

The work allowance and earnings taper rules still apply.

Erosion

Erosion is where the transitional protection top-up payment reduces as the amount awarded for other components of Universal Credit increases.

It is not possible for the transitional protection top-up payment to start eroding until the second assessment period after the claimant starts receiving the payments.

Transitional protection is not time limited but will erode when:

- there is an increase to the Universal Credit maximum award following an increase in the Standard Allowance or additional amount (for example, uprating), except for the childcare costs element
- a new Universal Credit additional amount (such as support with housing costs) is awarded, (except for the childcare costs element)

When this happens, the transitional protection top-up payment will erode penny for penny with the increase to the Universal Credit maximum amount.

The erosion happens in the same assessment period that the increase is paid.

The transitional protection top-up payment is not increased by uprating. However, it is eroded by the uprating of all other Universal Credit allowances and additional amounts in the award, except the childcare cost element.

Once the transitional protection top-up payment has fully eroded, it cannot be re-instated except where there has been a recalculation or successful appeal.

The transitional protection top-up payment will no longer apply from the assessment period in which it has eroded to nil.

Erosion example

A claimant receiving transitional protection has a Universal Credit award of £1000 at the end of their assessment period.

The claimant's Standard Allowance and additional amounts for housing and children add up to £880. The claimant also receives £120 in transitional protection top-up payment. This means the total award the claimant sees on their statement is £1000.

In the next assessment period, the claimant's additional amount for housing increases by £50.

At the end of the assessment period, this means that the total amount of the claimant's Standard Allowance and additional amounts for housing and children is £930 rather than the £880 it was in the previous assessment period.

The transitional protection top-up payment erodes penny for penny with any increase to the Universal Credit award, apart from childcare costs.

This means that as the claimant's Universal Credit maximum amount has increased by £50, their transitional protection top-up payment will reduce by £50. The transitional protection top-up payment that was previously £120 will reduce to £70.

The claimant's award for this assessment period will be made up of £930 for the Standard Allowance and additional amounts for housing and children - and £70 of transitional protection top-up. This totals £1000.

AP1: Universal Credit award is £1000 (£880 + £120 transitional protection)

AP2: Universal Credit award is £1000 (£930 + £70 transitional protection)

Annual uprating

The payment rates for Universal Credit allowances and additional amounts (such as standard allowance, housing, and children) are reviewed annually.

Where a decision is made to increase the monthly amount awarded for each Universal Credit element, this is known as uprating.

The transitional protection top-up payment is eroded by any uprating applied as part of the annual review. The only exception to this being where there is an uprating to childcare costs.

Example:

A claimant has a £500 Universal Credit entitlement. This includes a transitional protection payment of £200, and £300 of other standard Universal Credit amounts.

During the next assessment period, an annual uprating takes place which means the claimant's entitlement, excluding Transitional Protection, increases to £320.

The claimant is not in receipt of childcare costs, so the entire value of the uprating will be eroded from the claimant's Transitional Protection top-up payment.

In this case, the total value of the uprating was £20, so their transitional protection top-up payment erodes by £20.

As there were no other changes in the claimant's circumstances during the assessment period, their total Universal Credit entitlement remained at £500. However, this is now made up of £180 of Transitional Protection top-up and £320 of other standard Universal Credit amounts.

When the transitional protection top-up payment stops

The transitional protection top-up payment stops in the following circumstances:

- couples forming
- couples separating
- when an increase in Universal Credit is greater than the amount of transitional protection in payment
- the claimant has earnings equal to or above the Administrative Earnings Threshold (AET) in their first assessment period and the claimant's earnings then drop below the AET for 3 consecutive assessment periods at any time during the Universal Credit claim
- the Universal Credit award is terminated

Once the transitional protection top-up payment has ended, it will never be re-awarded except, in the following circumstance:

- when a claimant has an increase in household earnings that means their Universal Credit payment is nil
- and they are no longer entitled to Universal Credit.

In these cases, transitional protection will be re-instated if they re-claim within 4 months of the end of the assessment period in which they were last awarded Universal Credit.

The 4 months are calculated from the end date of the assessment period in which the claimant was last awarded Universal Credit.

This is to encourage claimants to still work and earn more where possible.

When the transitional protection top-up amount can be revised

Transitional protection calculations can be revised if the information used to calculate the total legacy benefits or the Universal Credit amount was incorrect, for example where:

- official error
- a revision has been made to a legacy benefit following a Mandatory Reconsideration or appeal

- unreported change of circumstances

Benefit cap

The benefit cap limits a household's total entitlement to Universal Credit unless they meet one of the exemption criteria.

When the transitional protection calculation is carried out, claimants will not be entitled to an amount of transitional protection that would take them above the benefit cap.