Severe Disability Premium Transitional Protection overview: Guidance

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What is Severe Disability Premium

The Severe Disability Premium (SDP) is paid to eligible claimants as part of some Legacy benefits.

When a claimant who was in receipt of SDP as part of their Legacy benefits makes a claim to Universal Credit, following either, a change of circumstances requiring they move, or they volunteer to move, they will be considered for the SDP related Transitional Protection.

SDP Transitional Protection is an increase to the claimant's Universal Credit payment to ensure that they receive the money that they are entitled to.

Not all claimants who were entitled to SDP while claiming Legacy benefits are entitled to Transitional Protection. See 'Eligibility for Severe Disability Premium Transitional Protection' below.

For information on supporting claimants who make contact about SDP Transitional Protection, see the eligibility section and How Severe Disability Premium Transitional Protection impacts on the Universal Credit award.

Eligibility for Severe Disability Premium Transitional Protection

The following criteria are used to identify if a claimant is eligible for Severe Disability Premium (SDP) Transitional Protection:

- claimants who became entitled to Universal Credit within a month of being entitled to SDP with:
    - Income Support
    - income-related Employment and Support Allowance

    - income based Jobseeker’s Allowance

- the Universal Credit award has not ended
- the claimant still receives any of the following:
    - Personal Independence Payment (PIP), daily living component at the standard or enhanced rate
    - Adult Disability Payment (ADP)
    - Disability Living Allowance, care component at the middle or higher rate
    - Armed Forces Independence Payment
    - Attendance Allowance or Constant Attendance Allowance
    - no person in receipt of Carer’s Allowance or the Universal Credit Carer element has become a carer for a single claimant
- no person in receipt of Carer’s Allowance or the Universal Credit additional amount for a carer, is a carer for both claimants in a joint claim – 1 member of the couple may be cared for
- the Universal Credit claim was not awarded because the claimant formed a couple with someone who is already a Universal Credit claimant

If a claimant meets the above criteria, the appropriate rate from the date they were entitled to Universal Credit will be applied.

Claimants eligible from 14 February 2024

New regulations from the 14 February 2024 mean claimants who meet the following criteria will now be eligible for an additional amount.

The claimant must have:

- made a new Universal Credit claim on or after the 14 February 2024
- been entitled to the transitional SDP element or transitional SDP amount
- been entitled to and satisfied the eligibility conditions for, one or more of the following, in the month before the claim and up to and including the first day of their Universal Credit award:
    - enhanced disability premium
    - disability premium

- disabled child premium or the disabled child element (in child tax credits) and be entitled to the lower rate disabled child addition in Universal Credit

The additional amounts payable for claims made on or after the 14 February 2024 who satisfy the above criteria are available in the ‘Severe Disability Premium Transitional Protection’ section of the Monthly rates: Guidance.

The additional amount(s) will be added to the transitional SDP element.

The full amount will continue to be subject to erosion and termination in line with standard Transitional Protection rules.

Claimants with a Universal Credit claim date prior to 14 February 2024 will also be considered for the additional amounts and arrears payments described, subject to meeting the eligibility criteria. Further information about this will be available to agents in due course.

How Severe Disability Premium Transitional Protection impacts on the Universal Credit award

Claimants who were receiving the Severe Disability Premium (SDP) additional amount, were paid separately to Universal Credit and it did not appear on the Universal Credit statement.

These payments will now show on the Universal Credit statement as SDP Transitional Protection (Transitional element), as this is now on the Service.

The claimants will also have received a lump-sum arrears payment where appropriate.

The lump sum arrears payment is a total of the monthly payment for each full assessment period since the Universal Credit claim started, up to when the month / assessment period monthly Transitional Protection (TP) starts.

The lump-sum arrears payment was paid separately to Universal Credit by the SDP Team. The payment did not appear on the claimant’s Universal Credit statement.

This payment is disregarded as capital for an extended period. See Capital disregards.

The monthly Transitional Protection is paid at the end of every assessment period with 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’.

The amount of Transitional Protection awarded depends on the claimant's circumstances.

The amount of SDP TP paid to eligible claimants

All the amounts of SDP TP paid to eligible claimants are available in the Monthly Rates: Guidance under the Severe Disability Premium Transitional Protection section. This includes claimants who claimed: on or after 10 April 2023 and before the 08 April 2024; on or after 08 April 2024 and those who made a claim prior to 10 April 2023.

When and how Transitional Protection may erode

Transitional Protection reduces as the amount awarded for other components of Universal Credit increases. This is erosion.

Transitional Protection is not time limited; it will erode when:

- there is an increase in the standard allowance, or any additional amounts awarded, except for childcare costs and Support for Mortgage Interest
- a new Universal Credit additional amount, such as support with housing costs, is awarded, except for the childcare costs and Support for Mortgage Interest

Support for Mortgage Interest will not cause erosion as it is paid back as a loan.

When this happens, the Transitional Protection will erode pound for pound with the increase.

It is not possible for the Transitional Protection to start eroding until the second assessment period after the claimant starts receiving the payments.

The erosion happens in the same assessment period that the increase occurs. This will show on the Universal Credit statement as a new amount.

An increase in earnings does not erode Transitional Protection.

Transitional Protection is not increased by uprating.

Once Transitional Protection has completely eroded, it cannot be re-instated except where there has been a recalculation or successful appeal.

Transitional Protection will no longer apply from the assessment period in which it has eroded to nil.

When does Severe Disability Premium Transitional Protection stop

Transitional Protection stops when:

- couples forming
- couples separating when the relationship ends

- when an increase in Universal Credit is greater than the amount of Transitional Protection additional amount 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 more than 3 consecutive assessment periods at any time during the Universal Credit claim
- the Universal Credit award is terminated

Once Transitional Protection has ended, it will never be re-awarded except when:

- a claimant has an increase in household earnings which makes their Universal Credit payment ~~is~~ nil and
- they are no longer entitled to Universal Credit

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

This is to encourage claimants to move into work or increase their earnings where possible.

When Severe Disability Premium Transitional Protection 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:

- there was official error
- a revision has been made to a Legacy benefit following a Mandatory Reconsideration or appeal
- unreported change of circumstances

Further information on manual calculations is available through the related content