Move to Universal Credit (managed migration): Transitional Protection

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Transitional Protection additional amount

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 eligible Legacy claimants who claim Universal Credit as part of the Move to Universal Credit (managed migration) programme, if the amount of Universal Credit they are entitled to is less than the amount they were entitled to on their Legacy benefit(s), an additional amount known as the Transitional Protection element 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 before their deadline date or within 1 month of the deadline date are eligible to be considered for Transitional Protection.

However, if they make a claim more than 1 month after their deadline date, they are not entitled to Transitional Protection, even if their claim is backdated.

Some claimants who were in receipt of Severe Disability Premium (SDP) can also be, entitled to the Transitional Severe Disability element even if they naturally migrate to Universal Credit after a change of circumstances and are not part of the Move to Universal Credit (managed migration) programme.

Other than claimants previously in receipt of SDP, those who claim Universal Credit naturally through a change of circumstances and are not part of the Move to Universal Credit (managed migration) programme, will not be eligible for Transitional Protection.

Claimants who move to Universal Credit as part of the Managed Migration process can, if eligible, receive the following forms of Transitional Protection:

- Transitional Protection element
- Transitional capital disregard
- Exemption from the normal Universal Credit education eligibility rules

See ‘Couples who do not live together’ and ‘One member of the couple is in the Armed Forces’ below for the entitlement specific to these groups of people.

Couples who do not live together

Couples who do not live together are not entitled to the Transitional Protection additional amount.

On migration they must claim Universal Credit individually, as joint claims are only for couples who live together in the same house. However, two people who are married or in a civil partnership can have a joint claim to tax credits.

If tax credits are in payment the day before they claim Universal Credit, they will be considered for capital and student disregards. See Move to Universal Credit (managed migration): transitional capital disregard, background.

The only exception to this rule is where one member of the couple is in the Armed Forces (UK or abroad).

One member of the couple is in the Armed Forces

In these cases, the normal Universal Credit Armed forces rules apply and a joint claim can be made if the claimant’s meet the criteria.

If tax credits are in payment the day before the joint Universal Credit claim is made, the claimants will be eligible to be considered for the:

- Transitional Protection additional amount
- capital and student disregards

Transitional Protection additional amount calculation

Transitional Protection additional amount 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).

These figures are both based on the circumstances on which their legacy benefit(s) awards were made the day before they made a new Universal Credit claim.

Where the Universal Credit indicative amount is lower, the Transitional Protection will be paid to make up the difference as part of the Universal Credit award.

Change in couple status and ineligible partners

Claimants who are part of a notified couple will not be entitled to the Transitional Protection additional amount if any of the following apply, they:

- claim Universal Credit as a single person
- claim Universal Credit with a different partner
- or their partner are an ineligible partner on Universal Credit
- are not treated a couple on Universal Credit because they are temporarily living apart

These claimants will not get the Transitional Protection additional amount as their couple status has changed between their legacy benefit and Universal Credit awards. However, they will still be considered for transitional capital and student disregards.

Where a change in the couple status ends the previous legacy benefit or Tax credit claim before Universal Credit is claimed, the claimants will not receive any form of transitional protection.

See Couples and joint claims for the definition of a 'notified couple' and further information on couples and joint claims.

Change of circumstances for Move to Universal Credit claimants

Where a Move to Universal Credit claimant, reports a change that took place on or before the start date of their claim, this may affect their Transitional Protection.

This is because the Transitional Protection calculation is based on the claimants circumstances the day before they migrated to Universal Credit.

The correct date of change must be recorded to ensure the claimants' Transitional Protection is correctly calculated and overpayments or underpayments are avoided.

A change is reported and Transitional Protection has not been calculated

Where the change is reported in the first assessment period that impacts the amount of Transitional Protection received, Transitional Protection is calculated after the change has been verified.

Where the change is reported in the second assessment period or later, DWP will decide whether it is late reporting of a change.

Once the decision has been made and the correct date of change recorded, Transitional Protection is calculated if all other information for the calculation has been received.

A change is reported and Transitional Protection has already been calculated

In these cases, Transitional Protection may need to be calculated again.

Transitional Protection does not need to be calculated again where the change:

- does not have any impact on their Transitional Protection additional amount
- leads to the claimant losing their entitlement to Transitional Protection
- was reported more than 4 weeks after the previous Transitional Protection calculation

Impact on the Universal Credit award

The monthly Transitional Protection additional amount 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, this shows as a separate amount in the 'What you are entitled to' section under the heading 'Transitional Protection'.

Impact of earnings on Transitional Protection additional amount

Earnings may increase, decrease, or fluctuate without impact on a claimant's Transitional Protection but may impact the amount of Universal Credit awarded or result in loss of entitlement to transitional protection see the three earnings sections below.

Increase in earnings

An increase in earnings, will not erode a claimant's Transitional Protection additional amount.

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

See Claim closure: Nil award due to earnings, for the impact on claimants over state pension age.

Decrease in earnings

A decrease in earnings does not impact on a claimant's Transitional Protection additional amount unless they have earnings equal to or above the Administrative Earnings Threshold (AET) in their first assessment period, and their earnings then drop below this amount for 3 consecutive assessment periods at any time during the Universal Credit claim.

If this happens, the claimant loses their entitlement and Transitional Protection additional amount will stop.

The AET used to determine Transitional Protection entitlement is always based on the AET on the first day of the Universal Credit claim. The claimant must have 3 consecutive assessment periods where their earnings are below the value of the AET, calculated on the first day of their claim. The AET does not change when working out transitional protection eligibility.

For joint claims, the couple AET will be used when determining Transitional Protection eligibility.

A Gainfully Self-employed claimant is treated as earning above the single or couple AET if they are, subject to the Minimum Income Floor (MIF) in the Start-up period.

If a claimant has a MIF applied or is in the Start-up period during their first assessment period, they will be treated as earning above the AET for the purposes of Transitional Protection.

If a claimant stops being Gainfully Self-Employed later in their claim and they have 3 consecutive assessment periods where their earnings are below the value of the AET from the first day of their claim, they will lose entitlement to Transitional Protection.

See also When the transitional capital disregard stops

Fluctuating earnings

The Transitional Protection additional amount entitlement is not affected by fluctuating earnings. Even if the claimant is earning a different amount each month, their Transitional Protection additional amount entitlement remains the same unless it erodes for a different reason.

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

The Work Allowance and Earnings Taper rules still apply.

Erosion

Erosion is when Transitional Protection additional amount reduces as the amount awarded for other components of Universal Credit increases.

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

Transitional Protection additional amount is not time limited but will erode when:

- there is an increase in the Standard Allowance, or any additional amounts awarded except for childcare costs
- a new Universal Credit additional amount, such as support with housing costs, is awarded, except for the childcare costs

When this happens Transitional Protection additional amount 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.

An increase in earnings does not erode the Transitional Protection additional amount.

Transitional Protection additional amount 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 additional amount for childcare.

Once the Transitional Protection additional amount has fully eroded, it cannot be re-instated except when there has been a recalculation or successful appeal.

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

Example: How Transitional Protection additional amount is eroded due to an increase in housing costs

A claimant receiving Transitional Protection additional amount 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 Transitional Protection additional amount of £120. This means that the total award the claimant sees on their statement is £1000.

In the next assessment period, the claimant reports a change of circumstances. Their housing costs have increased, and the change is verified. As the claimant has not yet reached their Local Housing Allowance rate 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 additional amount 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 additional amount will reduce by £50. The Transitional Protection additional amount 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. This totals £1000.

Assessment period1: Universal Credit award is £1000 (£880 + £120 Transitional Protection additional amount)

Assessment period 2: Universal Credit award is £1000 (£930 + £70 Transitional Protection additional amount)

Annual uprating

The payment rates for Universal Credit allowances and additional amounts, such as the Standard Allowance, and the additional amounts for housing and children, are reviewed annually.

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

Transitional Protection additional amount 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: How Transitional Protection additional amount is eroded due to annual uprating

A claimant has a £500 Universal Credit entitlement. This includes a Transitional Protection additional amount 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 the Transitional Protection additional amount, 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 additional amount.

In this case the total value of the uprating was £20, so their Transitional Protection additional amount erodes by £20.

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

When Transitional Protection additional amount stops

Transitional Protection additional amount stops in the following circumstances:

- couples forming
- couples separating, when the relationship ends, also See **'**Couples who do not live together**'**
- when an increase in Universal Credit is greater than the amount of Transitional Protection additional amount in payment
- see the 'Decrease in earnings' section for detail on earnings equal to or above the Administrative Earnings Threshold (AET) and what causes Transitional Protection entitlement to stop
- the Universal Credit award is terminated

For claimants over state pension age see Transitional protection entitlement ends in the State Pension age claimants: Guidance.

Once Transitional Protection additional amount has ended, it will never be re-awarded except when a claimant household earnings increase making their Universal Credit payment reduce to nil and they are no longer entitled to Universal Credit.

In these cases, Transitional Protection additional amount 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.

See also When the transitional capital disregard stops

Claimants over State Pension age

If a Move to Universal Credit claimant is over State Pension age and loses entitlement to transitional protection, they will lose entitlement to Universal Credit, see: State Pension Age claimants: Transitional protection entitlement ends.

When Transitional Protection additional amount can be revised

Transitional Protection additional amount 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
- there was an 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.

Move to Universal Credit claimants over State Pension age

Move to Universal Credit claimants who are over State Pension age are exempt from the Benefit Cap if they claim within their migration period and they are claiming as:

- a single person
- part of a couple where their partner is also over State Pension age

Mixed age couples are not exempt from the Benefit Cap.

When the Transitional Protection additional amount calculation is made, claimants will not be entitled to an amount of Transitional Protection that would take them above the Benefit Cap.

Transitional capital disregard

See: Transitional Capital Disregard: Move to Universal Credit: Guidance.