

Universal Credit: protecting claimants through the migration process

About Welfare Reform Group

The Welfare Reform Group is an umbrella grouping of organisations that campaign for positive changes to policy, service provision and legislation for persons in receipt of social security.

This briefing has been endorsed by many members of the Welfare Reform Group, see p. 5.

If you have any questions about migration to UC please get in touch with Liz or Ciara at Law Centre NI (T: 028 9024 4401) / Elizabeth.griffith@lawcentreni.org / Ciara.fitzpatrick@lawcentreni.org

Introduction

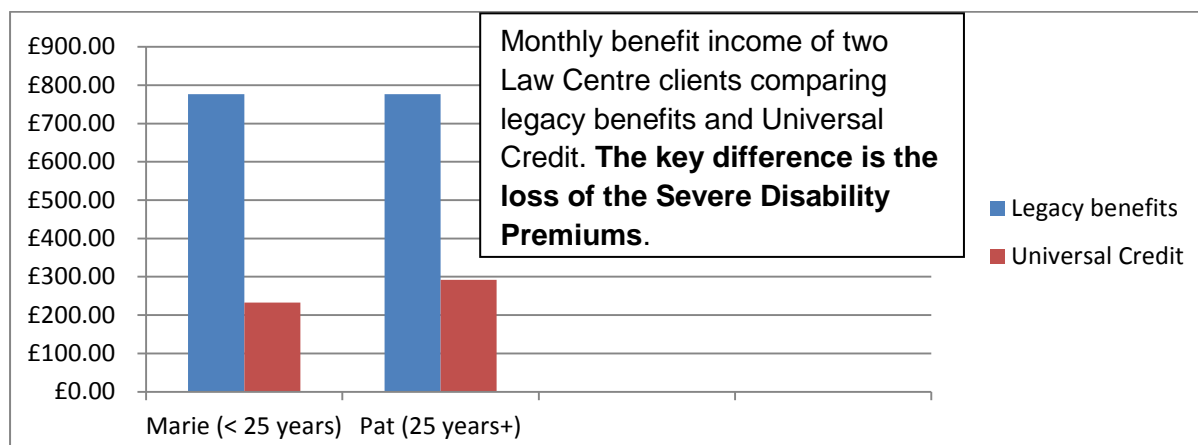
1. This paper, endorsed by members of the Welfare Reform Group, makes a number of recommendations designed to **better protect social security claimants who are moving to Universal Credit.**
 2. Universal Credit (“UC”) replaces 6 means-tested ‘legacy’ benefits: income-based Jobseekers Allowance, income-related Employment & Support Allowance, Income Support, Housing Benefit, Working Tax Credit and Child Tax Credit. It was introduced in Great Britain in 2013. In Northern Ireland, Universal Credit roll-out commenced in Limavady in September 2017 and is due to complete in Ballymena and Antrim in December 2018.
 3. There are 3 routes into Universal Credit. A claimant may receive UC:
 - a) Through a new claim,
 - b) Through natural migration, or
 - c) From July 2019, through managed migration.
- a) New claims**
4. After December 2018 (when the UC roll out completes) it will no longer be possible for new NI claimants to apply for a legacy benefit such as income-based Jobseekers Allowance; instead, the only option will be to claim Universal Credit.
 5. There is no financial protection / support for new claimants who find that their Universal Credit award is less than they *would* have received under legacy benefits.

Natural migration

- At present, most claimants in Northern Ireland are unaffected by the UC roll out because they remain on their legacy benefits.¹ However, if a claimant experiences a **change in circumstances**, s/he will be *obliged* to claim Universal Credit.

Relevant **changes in circumstances** that trigger natural migration to Universal Credit include: a change in employment (e.g. new employment, unemployment, change in income), a change in family circumstances (e.g. new baby, child leaving fulltime education), a partner joining/leaving the household, starting/stopping being a carer, moving house, a new tenancy, claiming a rate rebate, a change in immigration status, etc.

- Claimants who are **deemed to naturally migrate to Universal Credit do not receive any financial support to compensate for any drop in entitlement**. This results in a significant drop in monthly income as demonstrated by the following graph.



- Once a person has made a valid claim for Universal Credit, it is *not* possible to withdraw the application or to return to legacy benefits. The Department for Communities has explained that a claim is made at the point the online application for Universal Credit is submitted.
- We are concerned that some claimants are naturally migrating prematurely e.g. by claiming UC after hearing a radio advert. Unfortunately, such claimants are unaware that there is no need for them to claim Universal Credit at present; by making a claim prematurely, some claimants have lost up to 70% of their income. **Because they moved to UC through natural migration, there is no financial protection / support.**

¹ As of the end of October 2018, approximately 25,000 claimants in N. Ireland were in receipt of UC

b) Managed migration

10. Managed migration has not yet commenced anywhere in the UK. Managed migration is the official process whereby claimants transfer from their legacy benefits to Universal Credit. Managed migration is a significant undertaking as 3 million claimants across the UK will be affected. (It is unclear how many claimants will be affected in Northern Ireland).
11. If a claimant's Universal Credit award is lower than the previous legacy benefit entitlement, s/he will receive Transitional Protection. Transitional Protection essentially 'tops up' the Universal Credit award; the effect is that the claimant will not experience any financial loss. Transitional Protection is in keeping with a ministerial commitment that "*no-one will be worse off when transferring to Universal Credit*".² A claimant will continue to receive Transitional Protection until there is a change in circumstances.
12. However, the term 'managed migration' is a misnomer as the **onus is on claimants to make a fresh claim for Universal Credit**. Failure to make a claim within the tight specified timeframes will result in the legacy claim being terminated. This is in contrast to previous benefit transfers – such as when disabled claimants were transferred from Incapacity Benefit to Employment & Support Allowance – whereby responsibility for the transfer rested with the department; from the claimant's perspective, the process was automatic. If legacy benefits are terminated, the claimant is obliged to apply for Universal Credit without the benefit of Transitional Protection.
13. We are deeply concerned about the risk of claimants failing to successfully navigate the process for making a new UC claim. In GB, it is estimated that 36% of all claimants due to undergo the managed migration process are in receipt of ESA, which means they are in poor health and/or have a disability. The rate of ESA in Northern Ireland is *double* the GB rate and so we are particularly concerned about this group of claimants and their ability to navigate a new UC claim and successfully make the new claim on time.
14. The process of managed migration cannot be commenced without legislation. Regulations have been drafted and are due to be voted on at Westminster. **We do not support the regulations as they currently stand because they provide for the termination of legacy benefits if a Universal Credit is not made within a deadline.**
15. As explained above, not all Universal Credit claimants are eligible to receive Transitional Protection. The following table compares the three routes to claiming Universal Credit.

² Northern Ireland Assembly Research & Library Service, 'An introduction to welfare reform' (January 2011) NIAR 606-10 Paper 13/11

Comparison of Transitional Protection

Route into claim	Who it applies to	Is Transitional Protection available?
New UC claim	A person who makes a new claim for benefit e.g. someone who has just lost work or who has left home.	No
Natural migration	Natural migration is the process by which a current claimant must claim UC due to a change of circumstance and legacy benefit is no longer available in their area. This can occur at anytime. See note below on Severe Disability Premiums	No
Managed migration	This is the process where current legacy benefit awards are terminated and replaced with the requirement that claimants who are in receipt of a legacy benefit are required to make a new claim for UC. Managed migration is projected to take place 2019 - 2023	Yes

New protections

- 16.** In response to growing criticisms, the UK government has announced a number of measures designed to protect vulnerable claimants. These include:
- a)** Disabled claimants in receipt of Severe Disability Premiums (SDP) will *no* longer be able to naturally migrate to Universal Credit. This measure cannot be implemented until the regulations are commenced.
 - b)** Any claimants who have already naturally migrated will be compensated but at a flat rate of £80 per month.³ This measure also cannot be implemented until the commencement of the regulations.
 - c)** As of July 2020, UC claimants who migrate will receive an additional payment of their out-of-work legacy benefits. This is in addition to the run-on Housing Benefit payment.
- 17.** While welcome, these are modest protections and most do not take immediate effect. This means that naturally migrating claimants continue to be adversely affected.

³ Hansard HC (07 June 2018) HCWS745

Recommendations

Evidence shows that the roll out of Universal Credit is causing financial hardship in Great Britain.⁴ Transitional Protection is an important safeguard for claimants. Maximising income through the uptake of benefits is an ongoing Departmental strategic objective.⁵ Adopting the following recommendations would therefore be consistent with government policy.

1. We do not support the managed migration regulations in their current form. The DWP should design a proper managed migration process whereby claimants are actually transferred through a managed process. **New claims to Universal Credit should be suspended until a seamless managed migration is put in place.** However, if the regulations do proceed, the Department for Communities should design a process that provides maximum safeguards to help claimants navigate the transfer.
2. As a means to protect legacy claimants from prematurely naturally migrating to Universal Credit, at the point of making a UC claim, all claimants should be warned about the risk of a decrease in income **and** should be signposted to independent advice for a benefit calculation.
3. The Department for Communities should proactively identify those claimants who lost their SDP after naturally migrating to UC. The eventual back payment should compensate fully for the claimant's loss of SDP i.e. rather than the flat rate of £80 per calendar month.
4. Once a claimant completes the managed migration process, the *only* change in circumstance that should result in a loss of Transitional Protection should be if the household has attained income security for a 6 month period. This measure will help incentivise work (as claimants do not need to worry about losing their Transitional Protection on starting work) and will protect vulnerable groups such as victims of domestic violence and bereaved spouses/partners. It would be perverse for such claimants to lose their Transitional Protection.
5. Managed migration forecasts for Northern Ireland should be published and the Department should conduct an equality impact assessment.

This response is endorsed by the following members of the Welfare Reform Group.

- Advice NI
- Belfast Unemployed Resource Centre
- Committee on the Administration of Justice (CAJ)
- Carers NI
- Children in Northern Ireland
- Children's Law Centre
- Citizens Advice Belfast
- East Belfast Independent Advice Centre
- Employers for Childcare
- Housing Rights
- Law Centre (NI)
- National Energy Action NI
- NIACRO
- NICVA
- Women's Aid Federation NI
- Versus Arthritis

⁴ National Audit Office, 'Rolling out Universal Credit' (2018)

⁵ DfC, 'Supporting People: Maximising income through the uptake of benefit 2016 – 2018)