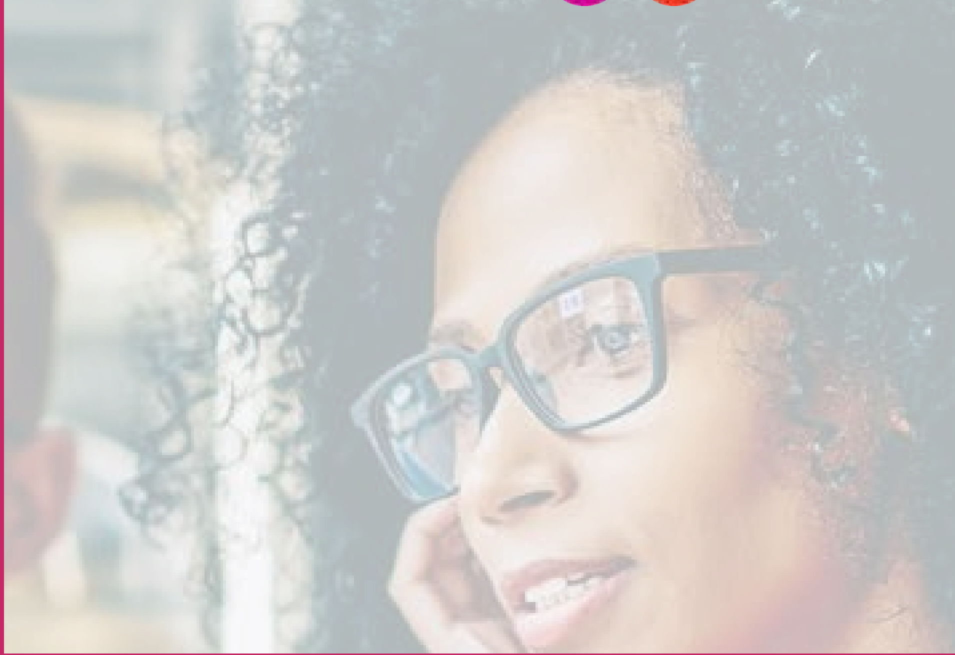
Law Centre NI



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MANAGED MIGRATION

TAX CREDIT CLAIMANTS

GUIDE

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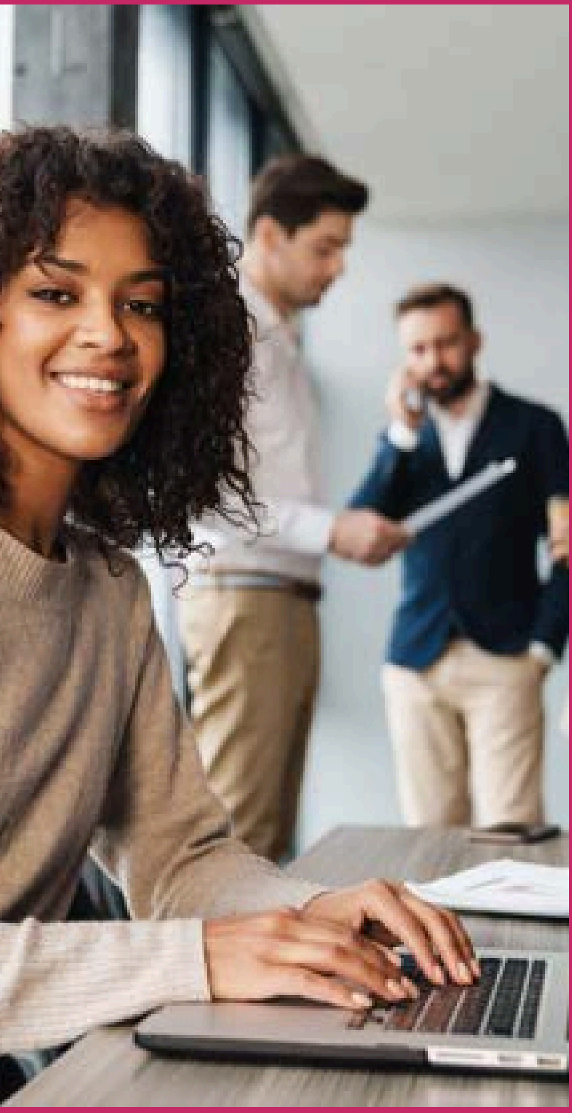

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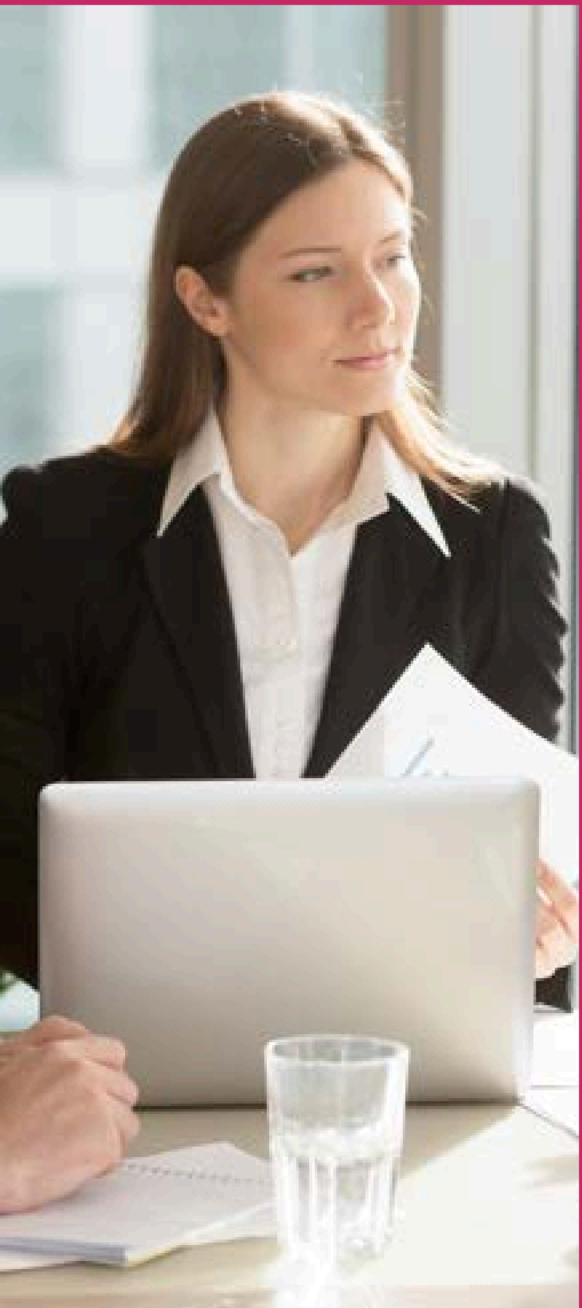


Overview and Introduction to the Guide

Law Centre NI has prepared this guide to help claimants and advisers in Northern Ireland better understand the complex issues raised by Managed Migration for Tax Credit claimants only.

The guide has been split into chapters that will outline the key elements and issues you need to understand.

This guide covers:

- Chapter One: What is Managed Migration?
- Chapter Two: Transitional Protection Explained
- Chapter Three: Transitional Element Calculations
- Chapter Four: Transitional Element Examples
- Chapter Five: Complex Needs and Managed Migration
- Chapter Six: An Overview of Universal Credit

Additionally, throughout the guide you will find helpful hints and tips in the form of ‘Adviser Notes’. These will highlight key considerations for advisers going forward.

ADVISER NOTE

If you receive a *‘Managed Migration Notice’*, it is important to seek independent advice about your next steps and follow this guidance to ensure you receive the correct Transitional Protection.

CHAPTER 1

WHAT IS MANAGED MIGRATION?

Types of Migration

With the rollout of Universal Credit, you are no longer able to submit a new claim for working age legacy benefits (previous means-tested benefits), including Income Support, Income-based Jobseekers Allowance, Income-related Employment and Support Allowance, Housing Benefit, Child Tax Credits, and Working Tax Credits. This guide has been developed with a particular focus on Managed Migration. As the Department for Communities continues to invite people across Northern Ireland to make a claim for Universal Credit, it is important to distinguish the three different types of migration.

01. 'MANAGED MIGRATION'

Only time Transitional Protection applies

This is in effect compulsory migration organised by the Government for those who are currently receiving legacy benefits. It is an official process of inviting people to claim Universal Credit in advance of the mandatory end of their benefit. You can receive the Transitional Protection via Managed Migration to make sure you are no worse off at the point of transfer to a claim of Universal Credit. It is included in your Universal Credit calculation.

02. 'NATURAL MIGRATION'

You are no longer able to make a new claim for legacy benefits. This means that if you experience a change in circumstances that ends your entitlement to that legacy benefit, you **will not** be able to make a new claim for that benefit. Therefore, your next step is to make a claim for Universal Credit. However, you will not receive any Transitional Protection.

There are some exceptions where you may be entitled to protections. These exceptions can include claiming as a mixed-aged couple, claimants receiving old-style contributions-based ESA, and those receiving a severe disability premium.

03. 'VOLUNTARY MIGRATION'

In some circumstances, a person may be better off claiming Universal Credit rather than continuing to claim their legacy benefit. You need to seek independent legal advice and ask for a 'better-off' calculation to be carried out. If someone makes the decision to switch to Universal Credit before they are required to, this is known as 'voluntary migration'.

If you are unsure about your circumstances and you are thinking about making the move to Universal Credit, you should **speak to an independent adviser** before taking any official action. Remember, once you make an application for Universal Credit, **you cannot return** to a claim of your legacy benefit.

ADVISER NOTE

Managed Migration is the only type that offers claimants Transitional Protection. This ensures that a claimant is no worse off at the point they migrate to Universal Credit.

This is the official process by which a legacy benefit claimant moves across to Universal Credit after receiving an official invitation from the Department.

If a claimant is considering moving across to Universal Credit before they receive an 'official notice', it is important to complete a 'better off' calculation to ensure it is the best option for them.

As mentioned Managed Migration is the officially arranged process of moving from a legacy benefit to Universal Credit. While the process has been ongoing for a while in England and Wales, it started in Northern Ireland in April 2023, and until recently it was only claimants in receipt of Tax Credits **only** (either Working-Tax Credits and/or Child Tax Credits) that were being invited to move through this official process.

Please see the Adviser Note on this page regarding the future rollout of Managed Migration Notices for other legacy benefits and always seek independent advice before taking action.

You can see a sample **Migration Notice Letter** and **Reminder Notice Letter** on pages 11-12.

ADVISER NOTE

If a claimant is part of a couple who make a claim, each claimant will receive their own Migration Notice, and both must make their own valid claim for Universal Credit. Then the first person makes a claim and declares the name of their partner. The separate claims will be linked together as a joint claim via the linking code provided by the Department for Communities.

A valid claim is one where the claimant commitment has been accepted by each member, each member of the couple has their ID validated, and each person checks their own 'To Do List' and complies with any and all requests.

ADVISER NOTE

The latest information regarding the continued rollout of Managed Migration in Northern Ireland is below:

- 13 May 2024: People claiming Tax Credits with Housing Benefit
- June 2024: People claiming Income Support
- July 2024: People claiming Housing Benefit only and people claiming Child Tax Credits with Employment and Support Allowance (Income Related)
- September 2024: People claiming Jobseekers Allowance (Income-Based)

Claimants that are receiving multiple benefits will migrate based on the planned rollout date of their Lead Benefit.

What is a Managed 'Migration Notice'?

A **Migration Notice** is an official letter that informs a claimant that their award of Tax Credits will terminate and that they will need to make a claim for Universal Credit. It will include a deadline date by which you need to make a claim for Universal Credit and you will be sent reminders at different intervals stating that you must make a claim. These reminders are usually after three weeks, seven weeks and ten weeks.

It is important to note that your legacy benefit, i.e. your Tax Credit award will end whether you make a claim for Universal Credit or not.

You must make a **valid** claim for Universal Credit before the deadline date - or final deadline date - (explained later) in order to receive any form of Transitional Protection.

Deadlines

Deadline Date

Each Managed Migration Notice will refer to a specified date by which a claimant has to make a valid claim for Universal Credit in order to receive their Transitional Protection.

Claimants will have at least three months from the date the notice is issued to make their claim. For example, if a Migration Notice is issued on 27 January 2024, you would expect the Notice to show a deadline of at least 28 April 2024.

If you do not make a claim before the deadline date, you could be at risk of losing your entitlement to Transitional Protection. However, there is a safeguard in place should a claimant miss their deadline date and this is known as the 'Final Deadline Date'.

Extending Deadline Date

You are able to extend the Deadline Date on your Migration Notice if you have a good reason for doing so and you notify the Department and Universal Credit before your Deadline Date passes.

The deadline will be extended by a maximum of four weeks per request, and you should request your extension at least one week before the 'Deadline Date' on your letter.

It is important to note that there is no limit on the number of times that an extension can be requested or allowed, and therefore it can be a useful tool when there is a 'good reason' for delaying a claimant's move to Universal Credit.

Guidance has outlined numerous examples of 'good reason', including learning difficulties, the claimant being in and out of hospital, having significant caring responsibilities, if someone is homeless, or where a person is experiencing a domestic emergency that stops them from making a claim.

It is important to note that each claimant will be assessed individually. The decision will be dependent on their own circumstances and they should seek advice if they are unsure about requesting an extension.

Final Deadline Date

The Final Deadline Date is one calendar month after the Deadline Day and is your last opportunity to make a claim for Universal Credit and receive Transitional Protection. However, you must make a claim before this date as the deadline is absolute.

If you make a valid claim for Universal Credit within one calendar month of the deadline date, then your claim is treated as if it was made on the original Deadline Date, as shown on your Notice Letter, and you will eligible to receive Transitional Protection.

This is because the claim is seen to have been made within what would be the first Universal Credit assessment period had a valid claim been made in the first place.

ADVISER NOTE

The timing of a claim for Universal Credit can be very important when looking at Transitional Protection and especially claimants with complex needs. You may look to extend the deadline date in order to maximise a claimant's entitlement to the Transitional Element.

For example, if a claimant receives their notice in the first quarter of the year, you might consider the potential impact of benefit uprating and an increase in housing or rental costs.

When will my Tax Credits award stop?

Now that we have looked at the Deadline Day and the importance of making a claim for Universal Credit in a timely manner to ensure your entitlement to Transitional Protection - you are probably wondering what happens to your Tax Credits award?

If you make a **valid** claim for Universal Credit, your Tax Credits will stop on Migration Day - this is the day before the start of your Universal Credit Award.

For example, if the deadline on your Notice Letter is 12 February 2024 and you make a valid claim for Universal Credit on this deadline date, your Migration Day is 11 February 2024. However, if you make a claim earlier in the three-month deadline period your Migration Day is the day before you submitted your claim for Universal Credit.

What help is available during the five-week wait?

There is no run-on period for a Tax Credit award after a claim for Universal Credit has been made, and this means that many claimants could face hardship during the initial five-week waiting period before their first Universal Credit Payment.

If you are at risk, you could possibly receive financial support and assistance from the Universal Credit Contingency Fund Grant and/or Discretionary Support by making an application explaining your circumstances.

Learn more about the Universal Credit Contingency Fund by clicking '**here**'.

Learn more about making an application for Discretionary Support by clicking **'here'**.

ADVISER NOTE

Remember, timing is important! Unlike other legacy benefits, Tax Credits does not have a run on period and therefore there is a full five-week wait before a claimant's first Universal Credit Payment. It may be best to claim Universal Credit the day after Tax Credits have been paid to help bridge the gap.

Revoking the Managed Migration Notice Letter

In certain circumstances you are able to have the Managed Migration Notice Letter revoked. This can occur where the Notice Letter was sent to you by mistake, if you are not a member of the current group being migrated (see the migration timeline for different legacy benefits on page 7), or in some instances where you are unable to make a claim for Universal Credit at the present time due to having complex needs. It is important to note that each case will be assessed on its individual merits and will be dependent on the claimant's own circumstances.

You should note that those claiming Tax Credits who are **within six months of pension age** and are issued a Notice Letter, can apply to have their Notice revoked as it was sent by mistake.

With Tax Credits, a **Qualifying Young Person** could be included in your claim up until the age of 20. Under Universal Credit the cut-off is 31 August after the qualifying young person's 19th birthday. Claimants who receive a Managed Migration Notice with this circumstance should contact Universal Credit to have the notice cancelled or revoked as they should not have received it.

Managed Migration Timeline

Managed Migration Notice Letter

A claimant receives an official Notice Letter from the Department informing them that their award of Tax Credits will terminate on a specific Deadline Date and that they must make a valid claim for Universal Credit. You will then have at least three months to make a new claim for Universal Credit. You must do so before the 'Deadline Day' as stated in your Notice Letter.

Tax Credits Stop

Your award of Tax Credits will stop the day before Deadline Date, or the day before you submit a valid claim for Universal Credit.

Deadline Date

The Deadline Date is the specific date found in your official Managed Migration Notice Letter that you must make a claim for Universal Credit before in order to receive Transitional Protection.

Extending the Deadline Date

You are able to request an extension from the Department before your Deadline Date if you have 'good reason' for doing so. There is no limitation on the number of times you can request an extension, however, you must continue to have a 'good reason' each time you make a request. If you are applying for your second extension, you must also make your request before the New Deadline Date as stated on any new 'Updated Notice Letter'.

Final Deadline Date

If you have not claimed Universal Credit by your Deadline Date (or Extended Deadline Date where applicable), but do so **within one month** of that day, you will still be eligible to receive the Transitional Protection in your Universal Credit claim. This is known as the Final Deadline Date.

Missing the Final Deadline Date

If you miss the Final Deadline Date, you are still able to make a valid claim for Universal Credit. However, you will **not** be eligible for any form of Transitional Protection that is connected to the Managed Migration process.

Managed Migration Sample Notice Letter

Universal Credit Northern Ireland

HM Revenue & Customs

[Address Line 1]
[Address Line 2]
[Address Line 3]
[POSTCODE]

Telephone:
0800 012 1331
9am – 4pm
(Monday to Friday)
Textphone:
0800 012 1441

nidirect.gov.uk/migration-notice-universal-credit

Your Ref:

27 April 2023

You need to claim Universal Credit

You must claim by to keep receiving financial support

Universal Credit Migration Notice

Dear

Universal Credit is replacing your

You must claim Universal Credit by to keep receiving financial support.

If you have recently received a Tax Credits renewal letter, you will still need to make a claim for Universal Credit.

Universal Credit is a Department for Communities benefit. You can make a claim even if you:

- are working
- have renewed your tax credits
- have capital or savings of more than £16,000

How to claim Universal Credit

Go online to claim Universal Credit: **nidirect.gov.uk/migration-notice-universal-credit**

- Set up an online Universal Credit account
- Complete and submit online claim
- Prove your identity
- Provide documents and evidence to support your claim

How to Get Help

- Call the Universal Credit Helpline for free on **0800 012 1331**
- Universal Credit website: **nidirect.gov.uk/migration-notice-universal-credit**
- Visit your local Jobs and Benefit Office

You can also call us for free on **0800 012 1331** if you:

- need more time to claim
- are not the person named on this letter
- do not intend to claim Universal Credit

Your tax credits will end even if you decide not to claim Universal Credit.

How much you will get

Most people will be entitled to the same amount or more on Universal Credit. If the amount you are entitled to on your existing benefits is more than you would get on Universal Credit, you will receive a top up called transitional protection.

This migration notice entitles you to transitional protection if your circumstances do not change before you claim Universal Credit. If your circumstances change before you make your claim, this may affect the amount you get.

You need to claim as soon as possible to make sure the amount you are currently entitled to can be protected.

If you have certain types of debt, this may affect the amount of Universal Credit you get. Call **0800 012 1331** if you think this will affect you.

If you live with your partner

You will both need to claim Universal Credit by the same deadline. You will make a joint claim for your household, even if your partner is not eligible for Universal Credit.

If you have already made a claim

Ignore this letter if you have already made a claim for Universal Credit.

Help and advice

You can get independent advice on Universal Credit and welfare changes by contacting:

- Advice NI on **0800 915 4604** or **www.adviceni.net**
- Housing Rights at **https://www.housingrights.org.uk**
- Money Helper at **https://www.moneyhelper.org.uk**

Yours sincerely,

Universal Credit

We have many different ways we can communicate with you.

We can provide this information in a different way. Please contact us on **0800 012 1331** to find out how we can help you.

How DfC collects and uses information

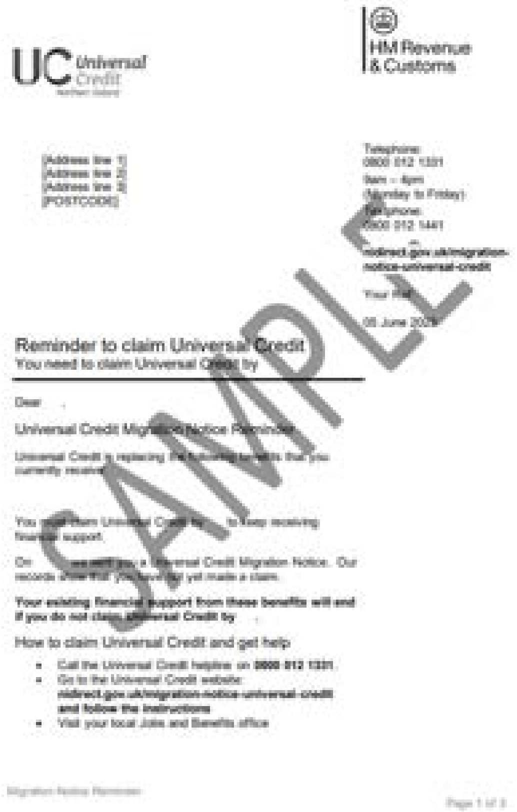
Please look at the privacy notice on **https://www.communities-ni.gov.uk/dfc-privacy-notice** where you can find out more about:

- your information rights
- how to request a copy of your information
- DfC's data protection details and other data protection information
- how long DfC will keep your data for and
- more detail about how DfC uses personal information.

Call charges

Calls to 0800 numbers are free from landlines and mobiles.

Managed Migration Sample Reminder Letter



[Address line 1]
[Address line 2]
[Address line 3]
[POSTCODE]

Telephone:
0800 012 1331
9am – 4pm
(Monday to Friday)
Textphone:
0800 012 1441
nidirect.gov.uk/migration-notice-universal-credit

Your ref:

05 June 2023

Reminder to claim Universal Credit

You need to claim Universal Credit by

Dear

Universal Credit Migration Notice Reminder

Universal Credit is replacing the following benefits that you currently receive:

You must claim Universal Credit by to keep receiving financial support.

On we sent you a Universal Credit Migration Notice. Our records show that you have not yet made a claim.

Your existing financial support from these benefits will end if you do not claim Universal Credit by

How to claim Universal Credit and get help

- Call the Universal Credit helpline on **0800 012 1331**.
- Go to the Universal Credit website: **nidirect.gov.uk/migration-notice-universal-credit and follow the instructions**
- Visit your local Jobs and Benefits office

Migration Notice Reminder

Page 1 of 3

If you've already made a claim

If you've already made a claim to Universal Credit, ignore this letter.

Contact Us

Call the Universal Credit helpline on **0800 012 1331** or go to your local Jobs and Benefit office if you:

- cannot claim Universal Credit by
- do not intend to claim Universal Credit
- did not receive the migration notice
- have received this letter in error

Help and Advice

You can get independent advice on Universal Credit and welfare changes by contacting:

- Advice NI helpline **0800 915 4604** or **www.adviceni.net**
- Housing Rights at **https://www.housingrights.org.uk**
- Money Helper at **https://www.moneyhelper.org.uk**

Yours sincerely,

Universal Credit

Migration Notice Reminder

Page 2 of 3

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- how long DfC will keep your data for; and
- more detail about how DfC uses personal information

Call charges

Calls to 0800 numbers are free from landlines and mobiles.

Migration Notice Reminder

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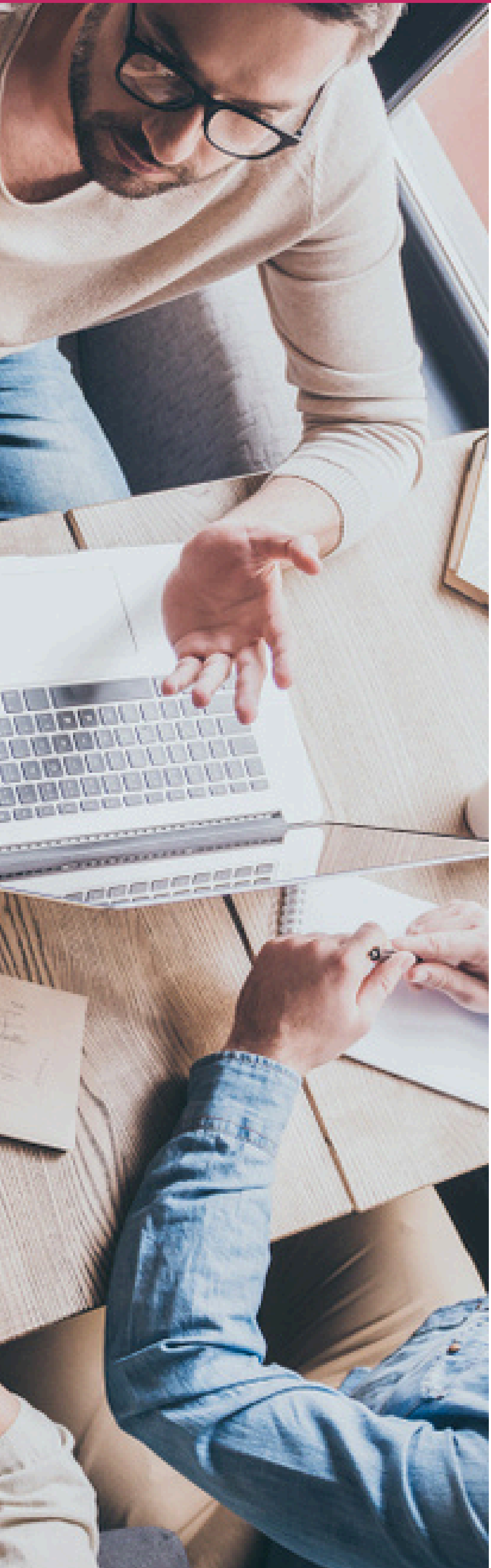
CHAPTER 2

TRANSITIONAL PROTECTION EXPLAINED



Transitional Protection

Transitional Protection is the protective component of Managed Migration that ensures all eligible claimants making a valid claim for Universal Credit on or before the Deadline Date/Final Deadline Date will be no worse off at the point they migrate to Universal Credit.

This means that if a claimant is entitled to a lower or 'nil' award of Universal Credit compared to the amount they were receiving through their legacy benefit, then they will be protected and their losses mitigated at the point they transfer via Transitional Protection.

However, it is important to remember that Transitional Protection is **only available** to claimants who apply for Universal Credit because they have received their official Managed Migration Notice Letter.

There are different types of Transitional Protection in place for different circumstances and we will discuss these below:

The Transitional Element

The Transitional Element is an additional element that can be added to your Universal Credit award, if you have been invited to make a claim via the Managed Migration process and apply before the Deadline/Final Deadline Date.

The sum is calculated to cover any loss (lower benefit award) you may have as a result of moving from your legacy benefit (i.e. Tax Credits) compared with the amount of Universal Credit you are entitled to receive. This element is designed to ensure no one is worse off at the point of transfer. You can view our guidance about how to calculate the Transitional Element in Chapters Three and Four.

Nil Awards

There are special rules to calculate the Transitional Element for those who are entitled to a Nil Award of Universal Credit at the point they migrate. You can see more guidance about calculating the transitional element for a Nil Award on pages 34-36.

In summary, where there is a Nil Award for Universal Credit at the point of migration, a Transitional Element will be paid to the claimant even if they are not entitled to any amount of Universal Credit. Remember under the rules of Managed Migration, no one will be worse off at the point they migrate.

ADVISER NOTE

It is important to understand how to work out the Transitional Element, especially when we consider a **Nil Award** claimant. You want to maximise the claimant's income before the point of transfer, as the higher the amount of their legacy award, the higher their Transitional Element will be.

Capital and Managed Migration

Normally, anyone claiming Universal Credit must not have capital (including savings) of over £16,000. However, as part of Managed Migration Transitional Protection, any claimant whose capital is over £16,000, will have the excess amount disregarded for twelve assessment periods.

It is important to consider certain aspects when looking at this form of Transitional Protection. This form of Transitional Protection will only last

twelve assessments periods, and therefore, if a claimant has capital in excess of £16,000 after this time, they will lose their entitlement to receive any award of Universal Credit.

If a claimant receives their Notice Letter and decides to spend their capital (bringing them below £16,000) before they make a valid claim for Universal Credit, this form of Transitional Protection will not apply and they will be subject to the normal capital rules under Universal Credit.

You must be careful when approaching the end of the twelve assessment periods as the Department could apply the normal deprivation of capital rules. However, there are some exceptions, for example, you are able to use your savings to pay any debt you might have.

As long as a claimant used the capital 'reasonably' and not for the purpose of claiming benefits, it should not be treated as 'notional capital'.

As you approach the end of the 12 assessment periods, be sure to keep receipts and invoices as evidence that any spending is reasonable under the claimant's personal circumstances.

ADVISER NOTE

Under legacy benefit rules, you were not allowed to use your excess capital or savings to pay off a debt, unless it was legally required to be paid off immediately. If you did this for non-immediate debt it could have been considered deprivation of capital and impacted a claimant's ability to continue making their claim. However, under the rules of Managed Migration Transitional Protection this is not the case for those with excess capital at the point they transfer. They will receive the capital disregard protection and can use it for the purpose of paying off non-immediate debt.

Although the capital disregard protection rules state that it will last for twelve assessment periods, if your capital drops below £16,000 in any of these periods the protection will no longer apply and you will be subject to the normal capital rules for Universal Credit. This means that should a claimant's capital increase above £16,000 again, they will no longer be entitled to an award of Universal Credit.

While the capital disregard protection applies to capital over £16,000, the normal tariff income rules of Universal Credit will still apply to any capital between £6,000 to £16,000.

This means that a claimant migrating to Universal Credit via Managed Migration will have their award reduced by £4.35 for each £250 they have between £6,000 to £16,000.

ADVISER NOTE

You should make claimants aware that if their excess capital or savings drop below £16,000 between assessment periods after they make their initial claim for Universal Credit, then they could lose their Capital Disregard for any future assessment periods.

Therefore, you could ask the claimant if they have another means of support to help them.

Under normal capital rules, if their capital returns to an amount above £16,000, then they may no longer be eligible to claim Universal Credit.

However, be cautious as any decision to spend or not spend has to be reasonable in the circumstances to avoid deprivation of capital rules.

Full-Time Students

Under normal Universal Credit rules, full-time students cannot normally make a claim for the benefit. However, there is an exception for those who have already completed a Work Capability Assessment, been found to have Limited Capability for Work, and receive Personal Independence Payment before they start their course of study.

However, under the Transitional Protection rules, if you are a full-time student and you receive a Managed Migration Notice Letter, you can make a claim for Universal Credit and you will be allowed to receive an award while you complete any course that you have already started.

There are some exceptions to this rule and students who are unsure should seek independent legal advice before taking any action.

Self-Employed and Receiving Tax Credits

Under Managed Migration, there are specific rules for claimants who are self-employed and receiving Tax Credits.

If you receive a Managed Migration Notice Letter whilst being gainfully self-employed and receiving Tax Credits, you will have a ‘12-month grace start up period’ before the ‘minimum income floor’ applies. In summary, this means that the Universal Credit award will be calculated according to the claimant’s actual earnings during this period and their award should be higher.

The ‘minimum income floor’ is the amount of money an employed person in similar circumstances would earn on a National Living Wage or National Minimum Wage after deducting tax and National Insurance contributions. Normally, if you earn more than the ‘minimum income floor’, your Universal Credit income information will be calculated using your actual income.

If you earn less than the ‘minimum income floor’, your self-employed work is your main source of income and you are outside the grace period then your Universal Credit income information will be calculated using the ‘minimum income floor’ and your award will be lower than if it was calculated using your actual earnings.

The idea is that you will be able to focus on growing your business without having to look for work, while receiving your Universal Credit payments. However, you will still have to meet your work coach and evidence your business development.

It is particularly important to be aware of the difference of managing your benefit award, as Universal Credit will require more regular updates and income figures from the business.

Transitional Element Erosion

Although the Transitional Element ensures that every legacy benefit claimant will be no worse off at the time they transfer, it is not a standard element of Universal Credit. Therefore, it follows different rules in terms of its application.

From the second assessment period of a claimant's Universal Credit claim (month two onward), any change in circumstances that leads to an increase in their Universal Credit award will result in a reduction of their Transitional Element amount (on a £1 for £1 basis) until it is completely gone. This is known as 'erosion'.

Remember, the Transitional Element exists to ensure that you are no worse off at the point you transfer, not the entire lifespan of your Universal Credit award.

There are particular circumstances that you should be aware of that will erode the Transitional Element after the first assessment period:

- The Transitional Element will be eroded when benefit uprating occurs at the start of each financial year in April.
- An increase in the amount of other elements within your Universal Credit award will reduce the amount of Transitional Element that is included in a person's award. This includes the addition of new Universal Credit elements, for example, if the housing element or limited capability for work-related activity element is added to your award.
- There is a change of circumstances within your Universal Credit award, for example, a partner moves in and a joint claim for the benefit is made, or the addition of a child element.

ADVISER NOTE

A claimant's Universal Credit award will be eroded after the first assessment period when they receive any additional elements to their award.

However, the addition of a Childcare Costs Element will not erode a claimant's Transitional Element.

It is important to note that erosion or loss of the Transitional Element will take place from the beginning of the assessment period in which the change occurs. This means that should the change in circumstances occur in the final week of your assessment period, your Transitional Element will still be reduced as if the change occurred on the first day of the period.

ADVISER NOTE

Remember timing is important when trying to maximise the amount of Transitional Element that a claimant can receive. It may be better to wait and make a new claim for Universal Credit after benefit uprating has occurred.

Erosion Continued

Administrative Earnings Threshold (AET)

The Administrative Earnings Threshold is the amount of money you can earn before your claimant commitment is impacted and you have to agree to certain tasks as part of your eligibility for Universal Credit.

As of 13 May 2024, the Administrative Earnings Threshold per assessment period is £892 for a single person, and £1,473 for joint claimants.

However, it is important to be aware that the AET used will be the one in place when a person makes their claim for Universal Credit, so be sure to understand what the current threshold is as it can impact someone's entitlement to Transitional Protection.

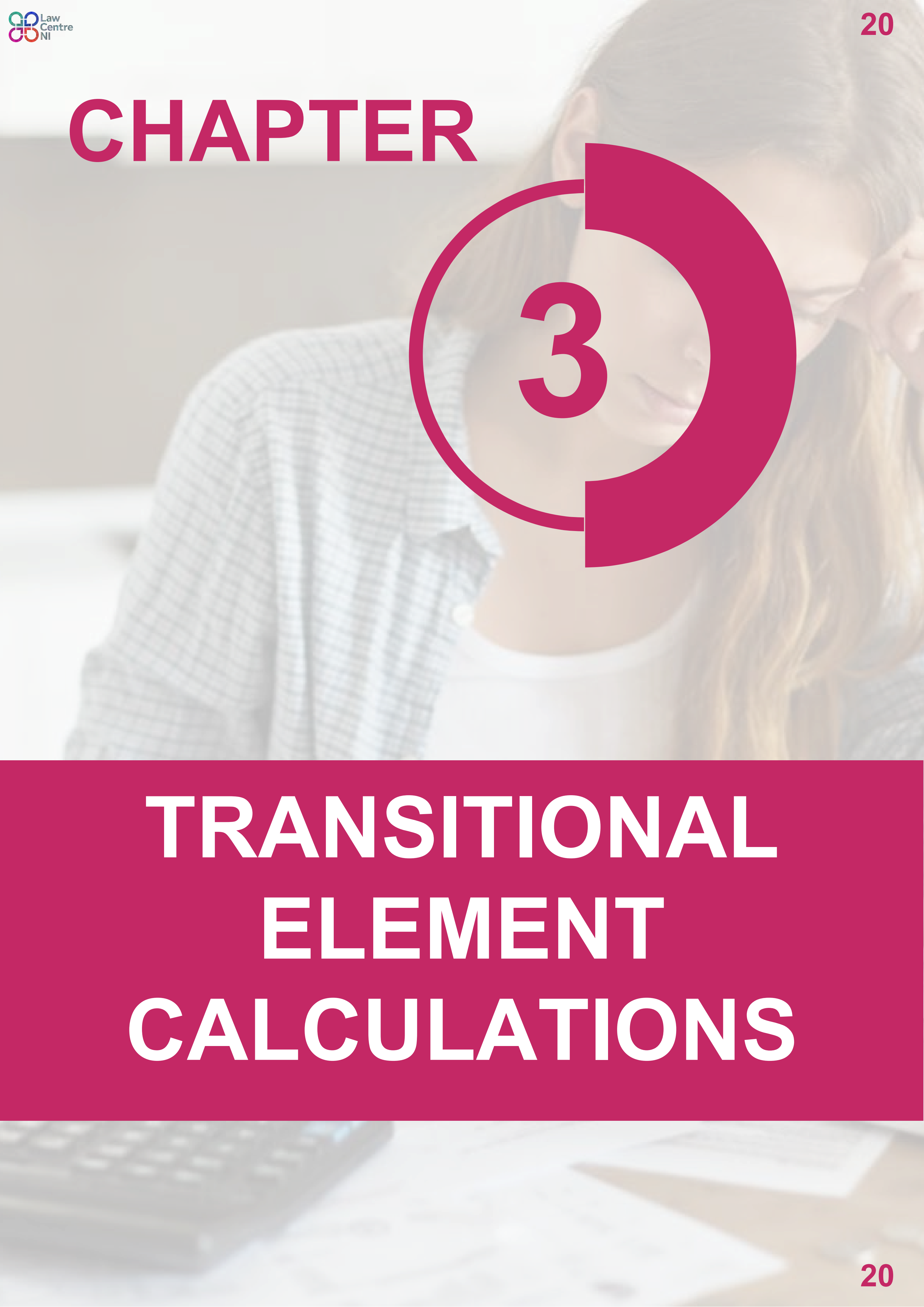
If a person's earnings are at or above the relevant AET when they claim Universal Credit, but then drop below the AET for any reason for more than three consecutive assessment periods, this will result in a loss of Transitional Protection.

If a claimant is below the AET at the point they migrate to Universal Credit, they may be subject to Universal Credit conditionality criteria.

If a claimant's earnings are below the AET when a person makes a valid claim for Universal Credit and afterwards a drop occurs in their earnings - this will make no difference to Transitional Protection and it will continue to be applied.

ADVISER NOTE

If a claimant has earnings at - or above - the AET at the point of migration, but starts receiving Statutory Sick Pay, Statutory Maternity Pay, or Maternity Allowance and the amount of benefit they receive results in a drop of earnings for three or more consecutive assessment periods - they will lose their Transitional Protection. If you come across anyone in this situation, please contact the Law Centre as there is a potential test case to explore.



CHAPTER 3

TRANSITIONAL ELEMENT CALCULATIONS

Transitional Element Calculations

The Five Step Process

1

Calculate the **Total Legacy Amount**

2

Calculate the **Indicative Maximum Universal Credit Amount**

3

Calculate the **Indicative Assessable Income**

4

Indicative Universal Credit Amount

Step 2 Answer
minus
Step 3 Answer

5

Transitional Element

Step 1 Answer
minus
Step 4 Answer

Understanding how to calculate the Transitional Element

We have simplified the process for calculating the Transitional Element into five steps. However, it is important to reflect that the process is still quite complicated.

Ultimately, the Transitional Element will be calculated by comparing a claimant's monthly legacy benefits award with an Indicative Universal Credit Amount. It is important to note that this 'indicative' amount may not reflect what the client actually receives in their first Universal Credit award.

1 Calculate the Total Legacy Amount

It is important to note that the Total Legacy Amount is not necessarily the same as the amount of Tax Credits that is currently in payment.

Instead you need to use the daily rate of Tax Credits entitlement that is given to the Department for Communities by HMRC on Migration Day and convert it to a monthly figure.

HMRC will take the claimant's Tax Credit entitlement for the claimant's current 'relevant' period, that includes their Migration Day, and how many days it covers.

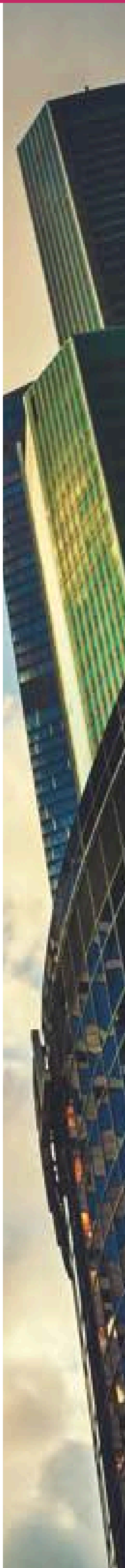
In order to calculate this you will need to view a claimant's most recent Tax Credit Award Notice outlining their current award. You should check the claimant's entitlement and minus any deductions for overpayments. You will then look at the Award Notice and divide the entitlement by the number of days to discover the daily rate.

You will then convert this figure to a monthly amount by multiplying it by 365 (days) and dividing it by 12 (months).

ADVISER NOTE

It is important to be aware that the current *'relevant'* period may not reflect an annual award in terms of length (365 days) and instead may be a shorter period. This will impact your sum for calculating the daily rate of Tax Credits provided by HMRC.

A new relevant period is usually triggered when a claimant's Tax Credit amount changes, i.e. they become entitled to or lose an element. It should be noted that changes in income plus/minus £2,500 do not trigger a new relevant period, and changes to childcare costs only trigger a new relevant period if there is a change of more than £10 to the claimant's average weekly childcare costs, or they stop paying for childcare altogether.



2 Calculate the Indicative Maximum Universal Credit Amount

The Indicative Universal Credit Amount is the amount of award to which a claimant is entitled to on their Migration Day.

The first assumption is that if a claimant is entitled to an award of Child Tax Credits, the claimant is responsible for any child or qualifying young person for whom the individual element of Child Tax Credit is payable.

Additionally, if the claimant is entitled to an award of Working Tax Credits that includes the childcare element, the Indicative Universal Credit Amount will include the childcare costs element. This amount is equal to the relevant weekly childcare charges included in the calculation of the daily rate and then converted to a monthly figure.

Remember, you can find the monthly rate by multiplying the daily rate by 365 (days) and then dividing it by 12 (months).

Let's look at what elements are included in the Indicative Maximum Universal Credit Amount:

- Standard Allowance
- Child Element
- Childcare Costs Element
- Disabled Child Element
- Carer Element
- Limited Capability for Work Related Activity

ADVISER NOTE

Remember the Childcare Costs Element is the weekly figure provided by HMRC on Migration Day converted to a monthly figure.

There are some elements that have particular rules in relation to their inclusion in the Indicative Maximum Universal Credit Amount:

- Limited Capability for Work Related Activity

This can be included in the Indicative Maximum Universal Credit Amount if the claimant is in the Support Group of New-Style or Contributory Employment and Support Allowance. You should also consider other circumstances when this might impact the claimant, for example, if they are terminally ill or in hospital.

- Carer Element

If someone declares that they are a carer on their Universal Credit application (whether they received Carer's Allowance previously as part of their legacy benefits), then their *'Indicative Maximum'* amount will include a Carer Element.

- Housing Costs Element

It is important to note that although Housing Costs can be included in an award of Universal Credit, it is not used to calculate a claimant's Indicative Maximum Amount for Tax Credit claimants only.

ADVISER NOTE

It is important to remember that the figure used to determine a claimant's indicative Universal Credit amount is imaginary and is likely to be different from the actual award of Universal Credit that they receive in their first assessment period.

3 Calculate the Indicative Assessable Income

The next step of calculating the Transitional Element will require you to calculate a person's Indicative Assessable Income. You will have to look at the claimant's circumstances and consider the following components:

- Earnings (as provided by HMRC) after the applicable work allowance and taper have been deducted by the Department for Communities.
- Benefit Information: it is important to ask any claimant for details about all the benefits they receive.
- Other Income: including those found under the Customer Declaration, such as pension or student income.
- Tariff Income: savings between £6,000 to £16,000 under normal Universal Credit rules.

Let's discuss some of these components in more detail below.

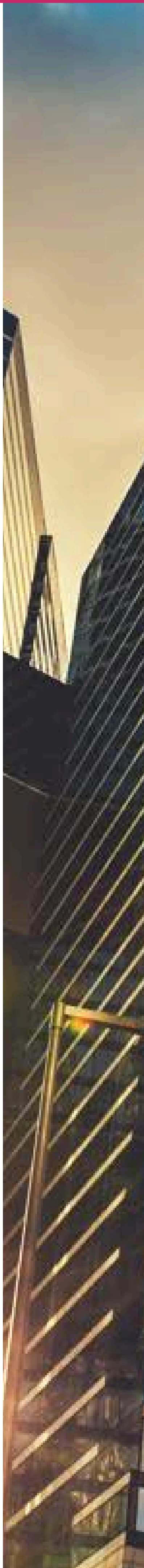
Where a claimant has Earned Income, HMRC will send the Department for Communities the claimant's annual earnings figure that they have used to calculate the Tax Credit Award. This should be the same figure that was used to calculate the claimant's Total Legacy Benefit award.

This is usually the claimant's gross earnings from employment or self-employment (minus any pension or National Insurance contributions reported to HMRC) in the previous tax year. However, where a claimant has reported significant change in earnings (or other taxable income) expected in the current tax year, HMRC will send the current year's expected earnings to be used to calculate the Transitional Element.

In summary, the earnings provided by HMRC to the Department will be based on either:

- Income from the previous year or;
- A derived current year income figure where the customer has provided HMRC with an estimate of the current year earnings and it is over the £2,500 disregard.

After you have worked out the client's Earned Income from HMRC, you should apply any work allowance the client might be entitled to and apply the taper rate under the Department's Universal Credit rules.



ADVISER NOTE

It is likely that HMRC will use a claimant's income from the last tax year to calculate their 'Earned Income'. This is the case even when a claimant has reported a change in circumstances in their expected earnings (or other taxable income) for the current year, unless that change is significant and over or under the £2,500 disregard. Additionally, it is important for advisors to note that unreported changes will not impact a claimant's entitlement to receive a Transitional Element.

ADVISER NOTE

As no Housing Costs Element will be included in the Indicative Maximum Universal Credit Amount (IMUCA) for Tax Credit only claimants, where that claimant is entitled to a work allowance, it will be the higher figure of £673 that will be used when working out their Indicative Assessable Earnings if the IMUCA includes a Child Element and/or Limited Capability for Work Related Activity.

After looking at the claimant's earnings, you will need to consider their Benefit Income. Unfortunately, this is not straightforward and it is likely to be an area where errors occur when calculating the Transitional Element. The Department will get this information from their Customer Information System and the information will not come from HMRC.

ADVISER NOTE

Be careful as Benefit Income is likely to be a key area where errors occur in the calculation of the Transitional Element. A claimant may be at risk of receiving an incorrect amount of Transitional Element if their current Benefit Income is mistakenly applied. Be sure to check what figures were used in the calculation as you could challenge an incorrect award.

The Department will then use other sources of information, such as the claimant's Universal Credit claim to consider their Other Income, which can include their pension or student income. When calculating a claimant's Indicative Assessable Income these are treated as unearned income and will reduce the Transitional Element on a £1 for £1 basis.

You will also need to consider a claimant's Tariff Income, i.e. any savings between £6,000 to £16,000 will reduce an award of Universal Credit by £4.35 for every £250.

You will add all these figures together (earned income, benefit information, other income and the tariff income) to get your Indicative Assessable Income.

Remember, you can find all the information for calculating the Indicative Assessable Income from a claimant's:

- Tax Credit Award Notice (earned income)
- Universal Credit Claim (unearned/other income)
- Other Benefit Income

ADVISER NOTE

If a claimant feels that incorrect amounts have been used to calculate the Indicative Assessable Income, they can request a breakdown of the calculation in their UC journal. If they still disagree, then they can ask for a Mandatory Reconsideration of the Universal Credit Award when they receive their statement at the end of their first assessment period.

4 Indicative Universal Credit Amount

Now that you have worked out both amounts from Step 2 and Step 3, you will use these to calculate the 'Indicative Universal Credit Amount'.

In order to do this you will need to minus the Indicative Assessable Income Amount (Step 2 Answer) from the Indicative Maximum Universal Credit Amount (Step 3 Answer).

5 Transitional Element

The final step in working out the Transitional Element is to minus the Indicative Universal Credit Amount (Step 4 Answer) from the Total Legacy Amount (Step 1 Answer).

Please note if the claimant's Total Legacy Amount is higher than their Indicative Universal Credit Amount, then they will be entitled to a Transitional Element that ensures they are not worse off at the point they migrate to Universal Credit. See page 34 for more information about how to work out the Transitional Element for a Nil Award.

ADVISER NOTE

Remember, the Transitional Element will begin to erode from the second assessment period of the claimant's Universal Credit award when there is a change in circumstances that increased a claimant's Universal Credit award.

CHAPTER 4

TRANSITIONAL ELEMENT EXAMPLES

Example One

Jack is 26 years old and a lone parent with a child, aged 8. He works part-time and currently receives wages of £1,200 per month.

1 Calculate the Total Legacy Amount

Child Tax Credits £76.71
+
Working Tax Credits £54.97

= £131.68

(£131.68 x 52 weeks) ÷ 12 months

= **£570.61**

2 Calculate the Indicative Maximum Universal Credit Amount

Standard Allowance £393.45
+
Child Element £333.33

= **£726.78**

3 Calculate the Indicative Assessable Income

= £1,200 per month

(£1,200 - £673 *work allowance)* x 55% taper rate

= **£289.85**

4 Indicative Universal Credit Amount

Step 2 Answer *minus* Step 3 Answer

£726.78 - £289.85

= **£436.93**

5 Transitional Element

Step 1 Answer *minus* Step 4 Answer

£570.61 - £436.93

= **£133.68**

Transitional Element to be included in the Universal Credit Award

Example One

First Universal Credit Award

As Jack's Indicative Universal Credit Amount is less than his Total Legacy Amount, he is entitled to receive a Transitional Element in his Universal Credit award. Remember, under Managed Migration, you will not be worse off at the point you transfer, and those who will be in a worse position are entitled to a Transitional Element.

Jack's first Universal Credit Award will be made of:

£393.45 Standard Allowance
+
£333.33 Child Element Higher
+
£133.68 Transitional Element

= £860.46 Maximum Universal Credit Amount under MM

£860.46 - £289.85 (income counted - actual take home pay £1,200)

= **£570.61**

Total First Universal Credit Award

Example Two

James is aged 30 and earns £12k gross per annum. He is a single parent of one child, aged 8, and he is in receipt of Standard rate Personal Independence Payment Daily Living.

Tax Credit Award:

£545 Family Element
£3,235 Child
£2,280 Basic Element
£2,340 Lone Parent
£3,685 Disability Element

1 Calculate the Total Legacy Amount

Child Tax Credits £76.71
+
Working Tax Credits £138.80

= £215.51

(£215.51 x 52 weeks) ÷ 12 months

= **£933.87**

2 Calculate the Indicative Maximum Universal Credit Amount

Standard Allowance £393.45
+
Child Element £333.33

= **£726.78**

3 Calculate the Indicative Assessable Income

£12,000 ÷ 12 months *(minus tax and NICs)*

= £1,000 per month

(£1,000 - £673 *work allowance)* x 55% taper rate

= **£179.85**

4 Indicative Universal Credit Amount

Step 2 Answer *minus* Step 3 Answer

£726.78 - £179.85

= **£546.93**

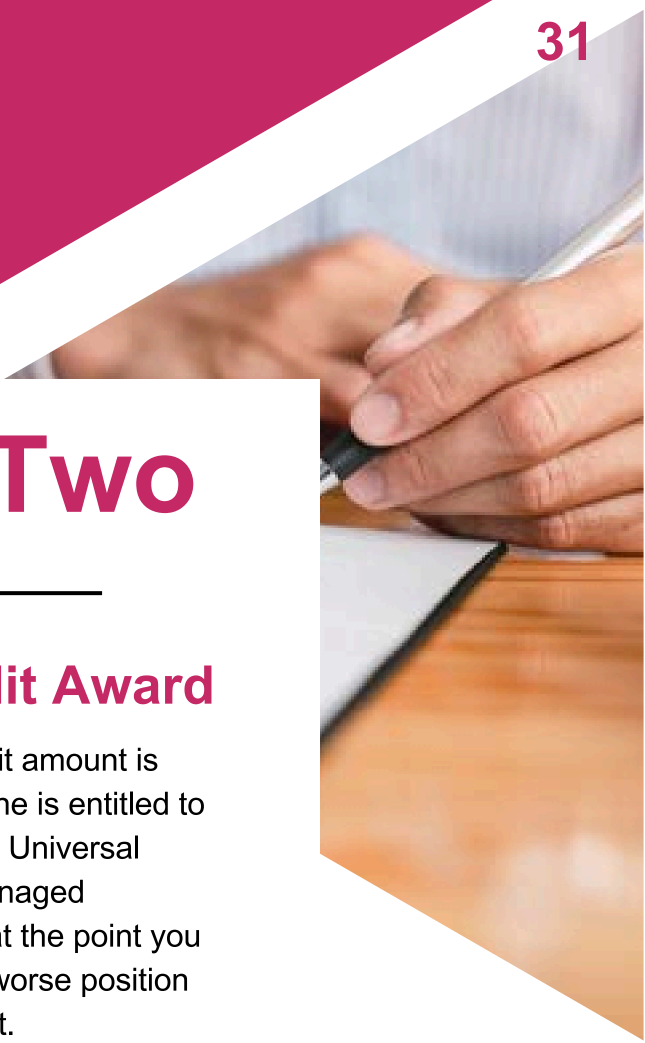
5 Transitional Element

Step 1 Answer *minus* Step 4 Answer

£933.87 - £546.93

= **£386.94**

Transitional Element to be included in the Universal Credit award



Example Two

First Universal Credit Award

As James' Indicative Universal Credit amount is less than his Total Legacy Amount, he is entitled to receive a Transitional Element in his Universal Credit award. Remember, under Managed Migration, you will not be worse off at the point you transfer, and those who will be in a worse position are entitled to a Transitional Element.

James' first Universal Credit Award will be made of:

£393.45 Standard Allowance
+
£333.33 Child Element Higher
+
£386.94 Transitional Element

= £1,113.72 Maximum Universal Credit Amount under MM

£1,113.72 - £179.85 (income - work allowance and taper rate)

= **£933.87**

Total First Universal Credit Award

Example Three

Sinead, aged 26, is a single parent in receipt of New Style ESA and in the Support Group with one child, aged 8, and in receipt of £70 per week child tax credits, no savings.

1 Calculate the Total Legacy Amount

Child Tax Credits £76.71

(£76.71 x 52 weeks) ÷ 12 months

= **£332.41**

2 Calculate the Indicative Maximum Universal Credit Amount

Standard Allowance £393.45
+
Child Element £333.33
+
LCWRA £416.19

= **£1,142.97**

3 Calculate the Indicative Assessable Income

ESA 90.50
+
Support Group £47.70

= £138.20

(£138.20 x 52 weeks) ÷ 12 months

= **£598.87**

4 Indicative Universal Credit Amount

Step 2 Answer *minus* Step 3 Answer

£1,142.97 - £598.87

= **£544.10**

5 Transitional Element

Step 1 Answer *minus* Step 4 Answer

£332.41 - £544.10

= **- £211.69**

No Transitional Element will be included in the Universal Credit award as Sinead is better off claiming Universal Credit compared to her previous Legacy Benefit award as shown by the sum above.

Example Three

First Universal Credit Award

As Sinead's Indicative Universal Credit amount is greater than her Total Legacy Amount, she is not entitled to a Transitional Element in her Universal Credit award. Remember, under Managed Migration, you will not be worse off at the point you transfer, and claimants who are placed in a better position will not receive a 'Transitional Element' in the Universal Credit award.

Sinead's first Universal Credit Award will be made of:

£393.45 Standard Allowance
+
£333.33 Child Element Higher
+
£416.19 LCWRA Element

= £1,142.97 Maximum Universal Credit Amount under MM

£1,142.97 - £598.87 (Income from New Style ESA Claim and Support Group Component)

= **£544.10**

Total First Universal Credit Award

Calculating the Nil Award Entitlement

You should consider the following when calculating the Transitional Element for a claimant who is entitled to to Nil Award of Universal Credit. We will consider these circumstances in relation to Jade in Example Four on the next page.

Be sure to check the Tax Credit Award Notice to make sure you understand the claimant's full entitlement is £315 per month. Beware that it may be lower than this as the claimant could be paying back an overpayment of Tax Credits.

You should maximise the claimant's Tax Credit entitlement and make claims for any other benefits that may be appropriate. You should advise HMRC of any outstanding claims as the Transitional Element could be recalculated at a later date and delay erosion occurring. In the case of Jade, is there a possible DLA claim?

On the next page Jade should also note that the Capital Disregard will be lost if her savings go under £16k, and she needs to be aware of the deprivation of capital rules.

Ordinarily, the calculation for the Transitional Element is the Total Legacy Amount subtract the Indicative Universal Credit Amount and the difference will be the Transitional Element.

However, when the claimant is entitled to a Nil award of Universal Credit there is a slight change to Step 5. You will add the Total Legacy Amount (Step 1 Answer) and a positive Indicative Universal Credit Amount (Step 4 Answer). You will then subtract the Total Income from the clients Maximum Universal Credit Award with the Transitional Element included.

ADVISER NOTE

As the claimant will be entitled to a Nil award - the Indicative Universal Credit Amount will be a negative number. In order to complete the final step you will have to change this to a positive number.

Example Four

Jade is a single parent with one child aged 10, she receives Child Tax Credits of £76.71 per week, Occupational Pension £1,391.42 per month, ESA Support Group credits only claim, PIP enhanced rate both and £18,000 savings.

1 Calculate the Total Legacy Amount

Child Tax Credits £76.71

(£76.71 x 52 weeks) ÷ 12 months

= £332.41

2 Calculate the Indicative Maximum Universal Credit Amount

Standard Allowance £393.45
+
Child Element £333.33
+
LCWRA £416.19

= £1,142.97

3 Calculate the Indicative Assessable Income

Occupational Pension £1,391.42
+
Tariff Income £174

= £1,565.42

4 Indicative Universal Credit Amount

Step 2 Answer *minus* Step 3 Answer

£1,142.97 - £1,565.42

= - **£422.45**

Jade is entitled to a Nil award of Universal Credit as the Indicative Assessable Income is greater than the Indicative Maximum Universal Credit Amount. Therefore, please note the difference to the formula in Step 5.

5 Transitional Element

Step 1 Answer *add positive* Step 4 Answer

£332.41 + £422.45

= £754.86

Transitional Element included under Nil award rules.

Example Four

First Universal Credit Award

Jade is entitled to a nil award of Universal Credit, however, under Managed Migration she will be no worse off at the point she migrates. Therefore, she will still receive an award that includes a Transitional Element as calculated on the previous page 35.

Sinead's first Universal Credit Award will be made of:

£393.45 Standard Allowance
+
£333.33 Child Element Higher
+
£416.19 LCWRA Element
+
£754.86 Transitional Element

= £1,897.83 Maximum Universal Credit Amount under MM

£1,897.83 - £1,565.42 (Income from occupational pension and tariff income)

= £332.41

Total First Universal Credit Award

ADVISER NOTE

To explain this more easily, it is true to say that the client will receive £315 of UC because a Transitional Element will apply to ensure that they are no worse off at the point of transfer. As the client has applicable income in excess of their UC entitlement the Transitional Element must be sufficient to leave them with a UC award at the point of transfer of £332.41. In order to do this, the Transitional Element must make up the difference for the impact of the excess income and the loss of legacy amount.

Income is in excess of the minimal UC threshold by £492.42 so this "part" of the Transitional Element brings the claimant up to £0 UC entitlement. The next "part" of the Transitional Element will bring them up to £332.41. Therefore, the Transitional Element is £806.42 = £422.45 + £332.41.

CHAPTER 5

COMPLEX NEEDS AND MANAGED MIGRATION

As Managed Migration continues it is important to identify vulnerable claimants and those with complex needs to ensure that they are protected and understand the process of making a claim for Universal Credit.

Identifying a claimant's vulnerability can be important for accessing alternative payment arrangements, deciding whether there is a failure to comply with conditionality, whether a claimant should be offered home visits, the claimant's IT literacy, requirements under the claimant commitment, or where benefits have been stopped if the claimant fails to make a claim for Universal Credit.

Universal Credit considers that complex needs can arise from personal circumstances, life events, health problems, or disabilities and that people move between having and not having complex needs.

Unfortunately, there is little guidance as to how the Department will anticipate or handle complex cases in Managed Migration and this has the potential to lead to future challenges for:

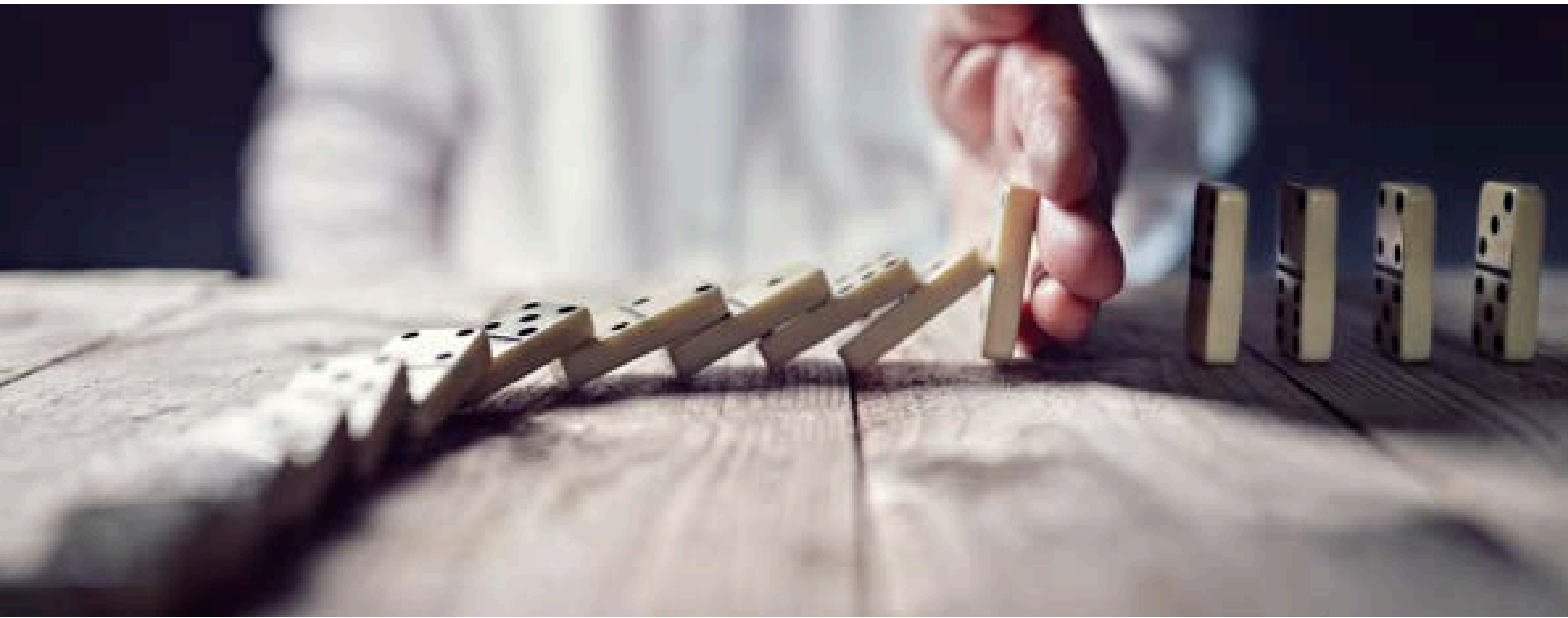
- Lack of Reasonable Adjustments
- Handling of Legacy Home Visits
- Whether a Managed Migration Notice Letter is legally compliant and accessible.
- Alternative Remedies to the Deadline Extension
- Limited English Language Skills as complex needs.

As an adviser, it is important to highlight any complex needs to the Department when the claimant receives their Managed Migration Notice Letter and the impact that their current condition might have on their ability to make a valid claim for Universal Credit. You can find a template letter for outlining a claimant's complex needs on the next page.

ADVISER NOTE

Remember, that where a claimant has *'good reason'* they can request an extension to their Managed Migration Deadline and there is no limit to the amount of times a deadline can be extended - this could be a useful tool when helping a claimant who has complex needs.

Additionally, in certain circumstances a claimant's Notice Letter can be revoked if it causes too harmful an impact on the claimant at the time.



Complex Needs Request Letter Template

RE: Formal Request for Complex Needs Status and Support

Claimant Name:
Date of Birth:
National Insurance Number:
Address:

I have recently started a claim of Universal Credit or started the process of submitting a Universal Credit claim. I have complex needs as defined by the Department for Communities guidance.

Please regard this notice as a formal request for you to ensure that all the necessary steps and adjustments are made to my conditionality assessment, and that I receive all available support from the Department during my claim, as outlined under section 75 of the Northern Ireland Act 1998, the Disability Discrimination Act and supported by the DfC Equality Scheme (click ***'here'*** to view), due to the barriers from my vulnerability as outline below.

- **Outline Complex Needs**

My problems/diagnoses are …

Other relevant circumstances …

- **What support I need from DfC and reasons why I need it**

  i. I do not have access to or cannot use a computer well enough to meet the requirements of Universal Credit.
  ii. I cannot understand or comply with the Universal Credit conditionality requirements. My condition makes …
  iii. I am particularly vulnerable to sanctions for reasons outside of my control as a result of my …

- **Claimant Commitment Limitations (if applicable at time of writing)**

Please ensure special consideration and support is taken into account for the following.

  - List the current terms of your claimant commitment that need adjusted...
  - List the requested changes to your conditionality requirements as a result of your complex needs...
  - I have caring responsibilities and …

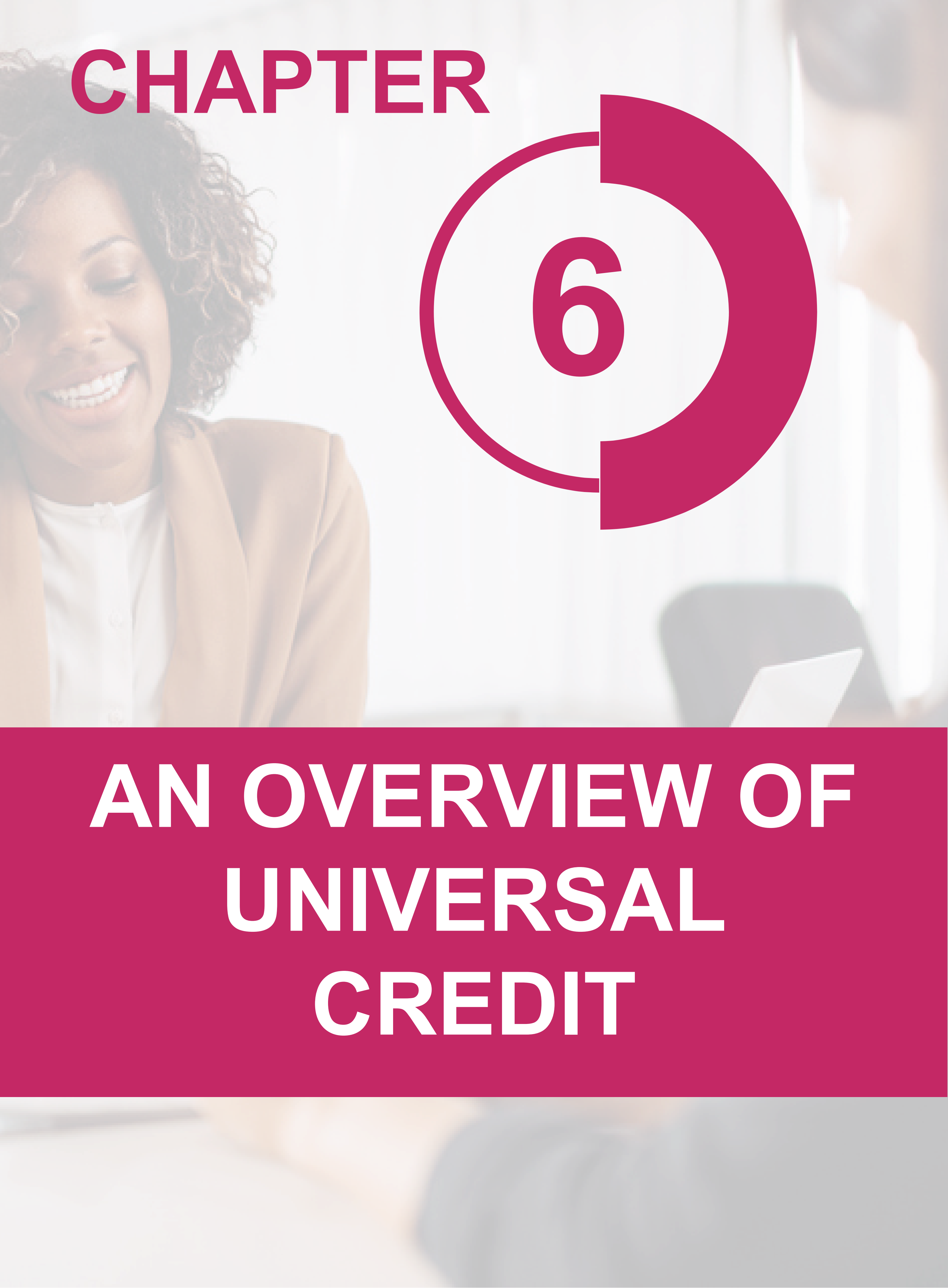
- Additional issues that I request you take into account

For example the impact of language issues, claimant credibility, claim dates, National Insurance number problems, or overpayment recovery policy and how they might impact your Universal Credit claim.

Thank you for taking the time to consider the above and I look forward to hearing from you.

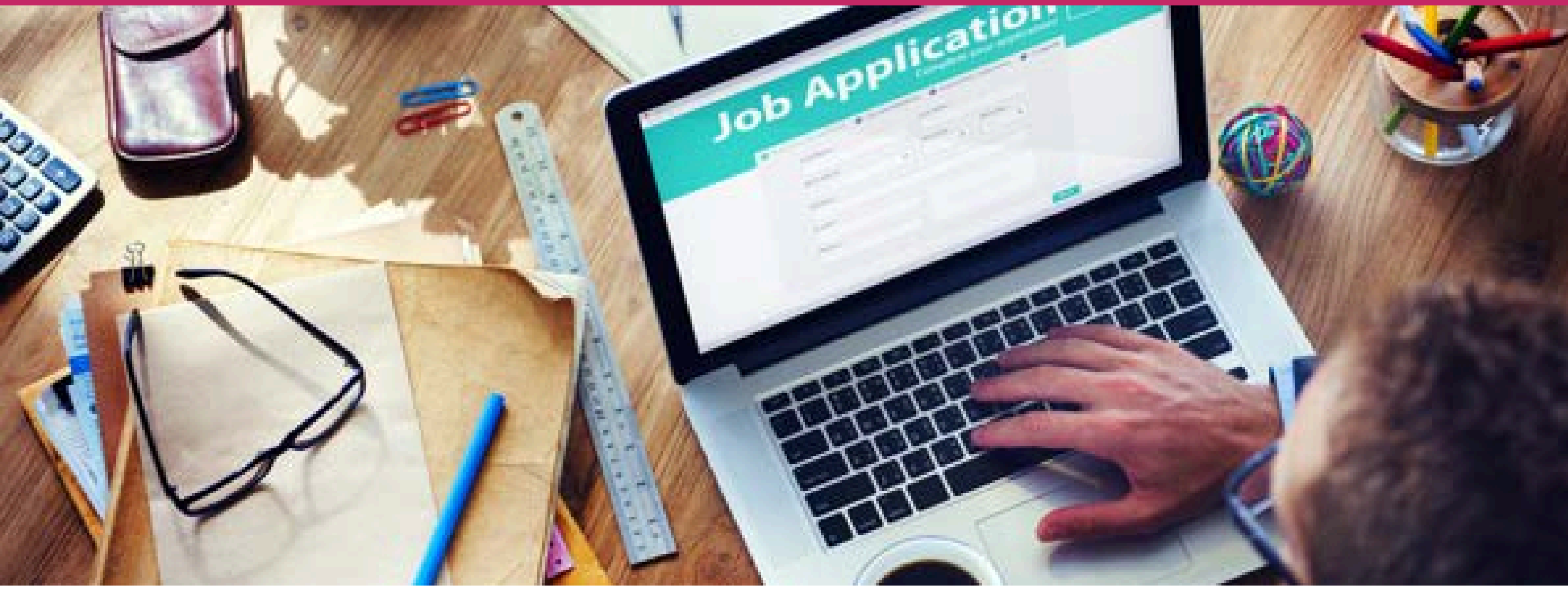
Your sincerely,

Insert Name



CHAPTER 6

AN OVERVIEW OF UNIVERSAL CREDIT



Overview

Universal Credit is a single, means-tested benefit paid to people of working age (or over if you are part of a mixed-aged couple) who are on a low income. There are currently around 147,000 people claiming Universal Credit in Northern Ireland.

It can include support for the cost of housing, children, childcare, financial support for people with a disability, carers and people who are too ill to work.

It is replacing previous means-tested benefits, which are now referred to as legacy benefits. However, the migration process has been delayed and people currently claiming legacy benefits should seek advice before migrating to a claim for Universal Credit to ensure they benefit from Transitional Protection.

To be eligible, you must:

- **be aged 18 or over (16 or 17 in certain circumstances)**
- **be under State Pension age**
- **not be in full-time education or training (unless exceptions apply)**
- **not have savings over £16,000**

Migration to Universal Credit was scheduled to take place in 2019, however, due to Covid-19, the rollout was delayed.

In April 2023, Northern Ireland announced that their Managed Migration Trial had commenced, and they had started to invite people receiving legacy benefits to make a claim for Universal Credit. We are now beyond the trial and you can view the upcoming schedule on page 7.

Notable Changes to Benefit Management

As more benefit claimants are being transferred to Universal Credit it is very important that they understand the difference between the management of their legacy benefits and the new processes that are connected to an award of Universal Credit. Let’s look at some of the notable changes below:

Payment Schedule

Unlike some previous legacy benefits, Universal Credit payments will be made twice monthly instead of weekly. This is very important when it comes to budgeting and money management and can have a huge impact on a claimant’s day-to-day life going forward.

Online Claims and IT Literacy

A claim for Universal Credit is generally made online and you will manage your Universal Credit claim via an online system. You will have to update your information and finances, complete your work journal and receive communications online, You are able to make a claim for Universal Credit over the phone. However, it is important to note that when you do so you are unable to switch and manage your claim through the online portal (vice versa should you make your claim using the online system and wish to manage it via telephone later on).

Work Allowance

Your Universal Credit award can vary depending on your and/or your partner’s earnings. However, you may be able to receive some earnings before your Universal Credit award is reduced and this is known as the ‘work allowance’.

It applies to claimants who have childcare responsibilities for children or a qualifying young person, or those claimants who have limited capability for work due to a health condition or disability. If neither of these circumstances applies to you, then your award of Universal Credit will be affected as soon as you start earning money from paid work.

Work Allowance Flowchart

Responsible for one or more children or qualifying young persons OR Have limited capability for work
- You **do** get assistance with your housing costs, e.g. rent. → £379 per month
- You **do not** get assistance with your housing costs, e.g. rent. → £631 per month

Other Universal Credit Claimants → £0 No work allowance applied

Taper Rate

Your Universal Credit payments will be reduced after you earn more than your work allowance (if you are entitled to it), and this is known as the Taper Rate. The current Taper Rate is 55%. This means that for every £1 you earn over your work allowance, your Universal Credit award will be automatically reduced by 55p.

Claimant Commitment

In order to make a valid claim for Universal Credit, you must accept your claimant commitments. This agreement sets out the responsibilities and tasks you agree to complete in return for receiving Universal Credit. This 'To Do List' can include looking for work, attending training courses, regularly meeting with your work coach, and updating your online journal.

Sanctions

As mentioned above, in order to receive Universal Credit you must agree to complete certain tasks. However, if you fail to complete these tasks (without good reason), your Universal Credit award could be reduced for a period of time. This is known as a sanction. There are different levels of sanctions depending on the frequency of your infringements.

What's in your award?

Universal Credit has replaced previous means-tested benefits (known as legacy benefits). However, it exists as an umbrella means-tested benefits and every valid claim will receive a standard amount (depending on your age and whether you are making a claim as a single person or part of a couple). However, you may also receive additional amounts depending on your personal circumstances. You can receive an additional amount if you have children: childcare costs, disabled children, limited capability for work due to a health condition or disability, caring responsibilities or need assistance with housing costs.

Remember if you are invited to make the move to Universal Credit via Managed Migration, you may be eligible to receive a top-up payment known as the Transitional Element. This payment is aimed at ensuring you are no worse off at the point you migrate to Universal Credit than you were receiving legacy benefits

Overpayments

Unlike legacy benefits, all overpayments of Universal Credit are recoverable. This includes those made by the Department via official error. However, you may be able to apply for a Discretionary Waiver if repayment would cause you significant detriment.

ADVISER NOTE

A Discretionary Waiver is a mechanism where - in exceptional circumstances - the Department can exercise its discretion to 'waive' the recovery of all or part of an overpaid benefit, even those caused by official error. You can find more information on our website by clicking **'here'**.

Universal Credit and the Five-Week Wait

You will normally receive your first Universal Credit payment about five weeks after you make your initial application, if it is valid and you are entitled to the benefit. The following section outlines some of the support mechanisms in place for people who may suffer from financial hardship during this initial *'assessment period'*.

Universal Credit Contingency Fund

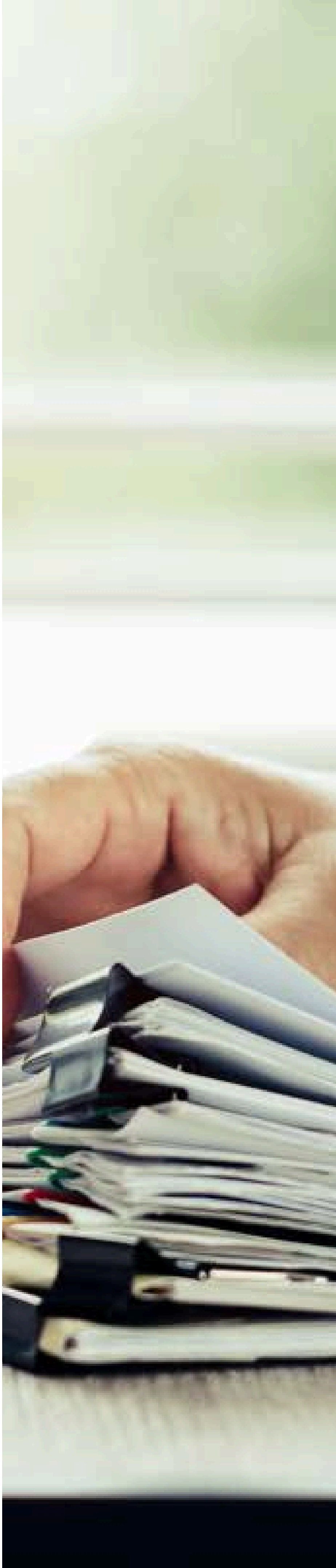
This is a non-repayable grant if you need financial support and do not have enough money to live on while you wait for your first full payment of Universal Credit. You do not have to pay it back if you are eligible. You apply via telephone or online. Click ***'here'*** to learn more.

Universal Credit Advance Payment

If you have applied for Universal Credit and do not have enough money to live on, you can apply for an Advance Loan. You will be eligible to receive 100% of your estimated Universal Credit amount, however it is a loan, and you will have to pay it back (usually the amount will be deducted in instalments out of your Universal Credit award). Click ***'here'*** to learn more.

Discretionary Support

If you are in an extreme situation or crisis, you may be able to apply for Discretionary Support. However, it depends on your circumstances whether you are offered an interest-free loan or a grant and this will impact whether you have to repay the money you receive. Click ***'here'*** to learn more.



Support Services

Speak to an Independent Adviser

As mentioned earlier, you may be worse off on Universal Credit than you were when you received legacy benefits. Therefore, it is important that you speak to an independent adviser before making the move.

Additionally, it is very important to seek advice from an independent adviser if you have complex needs and receive a Managed Migration Notice or are thinking of moving over naturally to Universal Credit. Be sure to ask for a 'better off' calculation if you are thinking of claiming Universal Credit before receiving your official Notice Letter.

Law Centre NI

You can also contact Law Centre NI's Social Security team for support and helpful guidance when understanding key elements of Managed Migration.

Universal Credit Helpline

If you need help to claim Universal Credit or you can't claim by the deadline date on your Migration Notice Letter, you can contact the Universal Credit Helpline on:

- Freephone: 0800 012 1331
- Textphone: 0800 012 1441 (For deaf users, those with hearing loss and users with speech and communication needs) - a UC Video Relay service is available for sign language users.

You can send an online request to the Move to Universal Credit team if you can't use a phone due to a language, speech or hearing difficulty. Click **'here'** to learn more.

Contact Information

028 9024 4401

Monday to Friday
09:00 - 13:00

Law Centre NI
Specialist Social Security team