



UNIVERSAL CREDIT – MANAGED MIGRATION

This is a short guide to how managed migration to Universal Credit works and what it will mean if you receive a managed migration notice telling you that your existing means-tested benefits and tax credits are ending. This information applies to **England, Scotland and Wales**. Northern Ireland has very similar rules about managed migration but there may be some differences. Approach a local advice service in Northern Ireland for more detailed advice about the managed migration process in Northern Ireland.

WHAT IS UNIVERSAL CREDIT?

Universal Credit (UC) is a means-tested benefit for people of working age. It is a single monthly payment to help with living costs that is paid by the Department for Work and Pensions (DWP). UC can be claimed both by people who are out of work and by people who are working to top up their earnings.

UC replaces the following existing means-tested benefits:

- **Income Support**
- **Income-based Jobseeker's Allowance**
- **Income-related Employment and Support Allowance**
- **Child Tax Credit**
- **Working Tax Credit**
- **Housing benefit.**

These are known as the 'legacy benefits'. If you are getting one or more legacy benefit you will need to move onto UC at some point before late 2025. When you are likely to be asked to claim UC will depend on what legacy benefits you currently receive.

Other benefits such as Carer's Allowance, Disability Living Allowance (DLA), Child Benefit and Council Tax Reduction continue to exist as separate benefits.

If you currently claim legacy benefits there are three ways in which you could move onto UC:

- ***you might have a change of circumstances that leaves you with no option but to claim Universal Credit, this is known as natural migration, or***
- ***you might volunteer to claim Universal Credit early because you think you will be better off; or***
- ***the DWP may ask you to claim Universal Credit as part of the 'managed migration' process.***



This guide looks at what managed migration is and what you will be expected to do if you receive a managed migration notice from the DWP telling you that your legacy benefits will be stopping.

WHEN WILL I BE EXPECTED TO MIGRATE ONTO UNIVERSAL CREDIT?

The Department for Work and Pensions is in the process of asking all legacy benefit claimants to claim UC instead. It calls this process 'managed migration' onto UC. When you are likely to be asked to claim UC under managed migration will depend on what legacy benefits you currently receive.

In 2023/2024

Managed migration mainly applied to 'tax credits-only' claimants – people who receive tax credits but no other legacy benefits. Most 'tax credits-only' claimants will have already migrated onto Universal Credit.

From April 24

Those on Income Support, and those getting tax credits alongside Housing Benefit.

From June 24

Those on Housing Benefit only.

From July 24

Those on income-related Employment and Support Allowance alongside child tax credit.

From August 24

Tax Credit claimants who have reached their state pension age will be asked to claim either Universal Credit or Pension Credit, depending on their circumstances.

From Sept 24

Those on income-based Job Seekers Allowance.

The managed migration process for most claimants in these groups is expected to be completed by December 2024.

From Autumn 24

Disabled adults who are getting Income-related Employment and Support Allowance only or income-related Employment Support Allowance in combination with housing benefit.

The managed migration process for claimants in this group is expected to be completed by December 2025.

WHAT WILL HAPPEN WHEN I AM SELECTED FOR MANAGED MIGRATION?

Once the DWP selects you to migrate onto UC, you will be expected to make a claim for UC. They will send you a managed 'migration notice' telling you that your legacy benefits will be ending in three months and telling you that you need to claim UC instead, if you wish to continue receiving means-tested financial support. Your legacy benefits will end even if you do not claim UC.

WILL THE DWP AUTOMATICALLY MOVE ME ONTO UNIVERSAL CREDIT?

No. Although this process is called managed migration, you won't move over onto UC automatically. Instead, there are steps you will need to take in order to migrate onto UC. You will need to make a claim for UC within three months of receiving written notice that your existing legacy benefits will be ending.

RECEIVING A MIGRATION NOTICE

You'll receive a 'migration notice' in writing telling you that your legacy benefits will be ending.

A managed migration notice is a letter that will have your individual name and address on it. It will also include a specific date by which you need to claim UC if you want to continue receiving financial support.

Somewhere in the letter it will also clearly say that it is a managed migration notice.

If you are not sure whether you have received a managed migration notice

You should get this checked urgently by a benefits adviser. Once you have been sent a managed migration notice you need to claim within specific timescales if you want to be considered for transitional protection.

When do I need to claim Universal Credit?

Your managed migration notice will tell you the date that your legacy benefits will be ending. This is known as your 'deadline day'. It is normally three months from the date you were sent your managed migration notice.

The DWP can extend your deadline day if there are good reasons for doing so, for example if you are unwell or your caring responsibilities will prevent you claiming in time. However, **you must request an extension at some point before your deadline day.**

In some cases the DWP will agree to cancel a migration notice to a later date. For example families who have a 19-year-old in full-time non-advanced education are not currently supposed to be sent migration notices. If this applies to you and you have been sent a migration notice in error, you can call the Managed Migration Notice Helpline and ask that your migration notice be cancelled. Please note this policy around 19-year-olds is likely to change in coming months so call the Contact Helpline for updates.

WHEN WILL MY LEGACY BENEFITS STOP?

If you get tax credits these payments will stop on the date you make a claim UC, or on your deadline day if you haven't lodged a claim for UC by then.

Any other legacy benefits you get, for example Income Support, Housing Benefit, income-based Jobseeker's Allowance or income-related Employment and Support Allowance, will run on for a further two weeks.

If you claim UC *before* your deadline day

So, if you claim UC before your deadline day any tax credits you get will stop from the day before you claimed UC. Any other legacy benefits will stop two weeks after the date you claimed UC.

If you claim UC *after* your deadline day

Any tax credits will stop from the day before your deadline day.

Any other legacy benefits you get will stop two weeks after your deadline day.

When will I be paid UC?

Regardless of whether you claim UC before or after your deadline date, once you have lodged a claim, you will have a wait of at least five weeks before you get your first UC payment. If this wait causes you financial hardship, you can ask for an advance payment. An advance payment is a loan that you will need to repay to the DWP from your future UC payments.

WHEN SHOULD I MAKE MY CLAIM FOR UC?

Once you receive a managed migration notice you have a three month window within which to claim UC. You should make sure that you claim before your final deadline but it is up to you whether you claim UC straight away or wait until closer to the deadline day.

Changes in circumstances before your deadline day

If you are expecting any major changes in circumstances before your deadline day – such as you or your partner starting work, having a new baby or trying to make a claim for a disability benefit such as DLA, get advice about whether you would be better waiting until after that change has happened before claiming UC.

Timing a claim around expected changes of circumstances can make a big difference to whether you get transitional protection payments and how much these are. You should seek individual advice if this applies to you as it will depend on your individual family circumstances and the specific changes in circumstances you are expecting.

Get a benefits check to maximise your Universal Credit claim

Ideally it is also worth getting your current benefits checked to make sure that you are not missing out on any payments before you claim UC, as the higher your legacy benefits are the better the chances that you will qualify for transitional protection payments once you move onto UC.

If you get tax credits

In terms of timing a claim, for most tax credits claimants it is also usually a good idea to claim just after you received a tax credit payment – especially if you are paid 4-weekly. This is because your tax credit claim ends as soon as you claim UC and you will face a five week wait before you get any UC payments. Claiming just after a tax credit payment may make it easier to bridge this five week gap.

If you work, things are usually more straightforward if you avoid claiming around the date that you are normally paid your wages.

WHAT HAPPENS IF I HAVEN'T CLAIMED UC BY MY DEADLINE DAY?

If you haven't claimed UC by your deadline day, you will have a further month within which to claim UC. This is your 'final deadline day'. So long as you claim before your final deadline day, your UC claim will be automatically backdated to your deadline day, and you will still be eligible for transitional protection. However, remember that your tax credits will still stop on your original deadline day, with other legacy benefits stopping two weeks later.

If you don't claim by your final deadline day

You can still claim at a later date, but you will have a longer gap with no benefit payments and you won't be eligible for any transitional protection.

WILL I BE WORSE OFF ON UNIVERSAL CREDIT?

Many families with a disabled child will be worse off under UC. This is particularly likely if you are an out-of-work family with a disabled child who does not qualify for the Disability Living Allowance higher rate care component or Personal Independence Payment enhanced rate of daily living component (or their Scottish equivalents).

However, so long as you have claimed UC either by your deadline day or your final deadline a month later, you will be eligible for transitional protection payments. These are supposed to make sure that you are no worse off on UC.

If you don't claim UC by your final deadline day, you won't be considered for transitional protection. This is the case even if you eventually claim UC at a later date.

WARNING!

People selected for managed migration have no option but to claim UC. The situation is different if you have not received a migration notice. There is nothing preventing you from volunteering to move onto UC before you receive a migration notice. However, this may not be a good idea. People who choose to claim UC early, rather than waiting to receive a migration notice, cannot usually get transitional protection.

HOW DOES TRANSITIONAL PROTECTION WORK?

The government has said that it will transitionally protect some existing claimants. This applies only to existing claimants who the government moves onto UC as part of 'managed migration'.

You are **not** eligible for transitional protection if either:

- *You move onto UC because you had a change of circumstances and have not yet received a managed migration notice.*
- *You volunteered to claim UC early, before you have received a managed migration notice.*
- *You have missed your final deadline day for making a managed migration claim.*

Transitional protection rules are supposed to ensure that families who would get less money under UC receive top-up payments to ensure that the amount of UC that they receive is no lower than the amount of legacy benefits they were getting immediately before they migrated. This top-up is known as a transitional element.

How does the DWP work out how much Universal Credit I will get?

The DWP compares the amount you receive under legacy benefits (your 'total legacy amount') with an indicative amount it expects you to get under UC. If your indicative amount is lower than your total legacy amount, you will receive a transitional element to make up the difference.

For example

Sarah receives Child Tax Credit of £900 per month and Housing Benefit of £1,000 per month. Her total legacy amount is therefore £1,900 per month. Her UC indicative amount is £1,700 per month. So long as she claims UC after receiving her migration notice but before her final deadline, she will receive a transitional element of £200 per month to top her UC payments up to £1,900.

WHO IS ELIGIBLE FOR TRANSITIONAL PROTECTION?

In order to be eligible for transitional protection, you need to claim UC either by:

- *the three-month deadline in your 'migration notice', or*
- *the final deadline a month later.*

If you do not claim by the final deadline, you will not be eligible for transitional protection. This is so even if you claim UC at some later date. For example if your deadline day is 5 October, the final deadline is 4 November. So long as you claim by 4 November you are eligible for transitional protection, but 5 November would be too late.

HOW LONG WILL I GET TRANSITIONAL PROTECTION FOR?

If you are someone who moved from tax credits to UC under managed migration and have capital of more than £16,000, your capital above £16,000 is ignored for 12 months. This is known as the 'transitional capital disregard'. If you still have capital above this figure at the end of 12 months your UC will stop. If your capital goes down in the intervening 12 months you will be asked to explain why. There is a risk that the DWP will treat you as having deprived yourself of capital unless you can show that any spending was reasonable or to pay off debts.

However other types of transitional protection aren't time-limited. Instead, any transitional element you receive will be slowly eroded over time as your circumstances change. There are certain changes in circumstances that can bring your UC transitional protection to an end altogether. This includes:

- *moving in with a new partner*
- *separating from an existing partner or*
- *seeing your earnings drop below certain levels for three consecutive months*

- *your earnings are too high to receive UC for three consecutive months*
- *your UC ends for any other reason.*

Transitional protection is supposed to guarantee that you are no worse off at the point you are migrated – that your first monthly payment of UC is no lower than what you were previously getting in legacy benefits. However, due to technicalities in how it is calculated some people can get lower transitional protection payments than they are expecting, while others get higher than expected payments.

TRANSITIONAL PROTECTION REDUCES OVER TIME

Even if your transitional protection payments bring your UC up to the same figure as your legacy benefits, you are still likely to end up being worse off over time. While the amount of transitional protection can never go up (it's frozen and doesn't increase with inflation) it is reduced by certain changes of circumstances – including any increase in any other UC elements you receive, with the exception of the childcare element.

For example

Anita gets tax credits of £900 per month. She migrates onto UC and is entitled to £800 per month. As part of her UC award she receives a transitional element of £100 per month to make sure she is no worse off at the point of transfer.

The following April, Anita's other UC elements increase by £60 per month due to the annual increase in benefits to take into account inflation. Because there has been an increase in her other Universal Credit elements, £60 is deducted from her transitional element bringing it down from £100 to £40.

So, despite supposedly having her benefits increased with inflation, her Universal Credit award is stuck at £900 pm as a result of her transitional element having reduced from £100 to £40 pm. Gradually overtime her transitional element will be further reduced by other future changes until eventually it will reduce to zero.

WHO WON'T BE TRANSITIONALLY PROTECTED?

Unfortunately, not every family who is worse off on UC will be transitionally protected. In particular, families who have been getting Child Tax Credit payments for a 'looked after' disabled child in a residential setting are likely to be significantly worse off when they move onto UC. This is because they will not receive transitional

protection payments to make up for the less generous treatment of their 'looked after' child under Universal Credit rules. If this applies to you and you have received a managed migration notice, get urgent advice from Contact's freephone helpline as it may be possible to get your deadline day extended to February 2025.

There is also a risk that other families who are managed onto Universal Credit won't be transitionally protected.

Seek urgent advice before making any Universal Credit claim if you are getting tax credits for either:

- *a young person who has already reached the August after their 19th birthday*
- *a young person who is aged 16-19 and in a temporary interruption in their education*
- *a child who is looked after and for whom you receive a kinship carer allowance that is not for accommodation or maintenance.*

WHAT HAPPENS IF MY CAPITAL IS ABOVE £16,000 AND I HAVE MIGRATED ONTO UNIVERSAL CREDIT FROM TAX CREDITS?

The general rule is that you cannot get Universal Credit if you have capital of £16,000 or more. Instead £4.35 per month is deducted from your UC for every £250 you have between £6,000 and £16,000. However, if you are someone on tax credits but no other legacy benefits and you claim Universal Credit under managed migration, special rules apply. There is a temporary capital disregard that means any capital you have above £16,000 is ignored for up to 12 months.

The capital that you have between £6,000 and £15,999 is still counted but this will not stop you getting Universal Credit. If you still have more than £16,000 in capital after 12 months, your Universal Credit award will end.

HOW DO I MAKE A CLAIM FOR UC?

You will normally have to claim UC online, but if you have difficulties doing this you can claim via the Universal Credit Managed Migration Helpline on **0800 169 0328**. If you cannot hear or speak on the phone via Relay UK on **18001 then 0800 169 0328**.

Before claiming online, you will first need to create an account at bit.ly/UC-account.

If you have a partner, you will each need to create your own individual account which you must then link together, using a linking code that the DWP will send to you.

Once your account is created you can then make an online claim. As part of that process, you will need information about things like:

- ***your income and savings***
- ***details of any rent or registered childcare costs***
- ***rates of disability benefit paid to any children in your household, and so on.***

The online claim asks you a number of different questions about your circumstances. You'll be able to check and amend your answers before submitting your claim online.

INTERVIEW AT THE JOB CENTRE

Once you have claimed UC you'll normally also be asked to book an appointment with a work coach at your local Jobcentre. If you are a couple, you will be interviewed separately.

You will be asked to take evidence with you to your interview such as proof of identity and any savings. You will also be asked to agree to a number of conditions in order to be paid Universal Credit. These conditions vary from claimant to claimant depending on individual circumstances.

WILL I BE EXPECTED TO LOOK FOR WORK?

If you are the main carer for someone who is getting a disability benefit such as:

- ***Disability Living Allowance care component at the middle or higher rate***
- ***Personal Independence Payment daily living component, or***
- ***their Scottish equivalents***

you should not be expected to look for work or meet any other work-related conditions.

If you both care for the same severely disabled child

The situation is more complicated if you have a partner and each of you provide at least 35 hours a week care

to the same disabled child. In this scenario only one of you will be treated as your disabled child's main carer and automatically exempted from having to meet work related conditions.

The other partner is usually expected to take part in work-related activities like job seeking – unless there are other reasons they cannot do this, such as having health problems of their own which mean they have a limited capability for work.

However, it is worth noting that under Regulation 89(1) (b) of the Universal Credit regulations, UC staff have the power to treat a second person as a full-time carer and to also exempt that second carer from work-related conditions too.

If you and your partner both provide full-time care to the same disabled child and you are exempt from job seeking but your partner isn't, they should ask their UC work coach to use their power under Regulation 89(1) (b) to place them in the no work conditionality group as a second carer. There is no guarantee that the DWP will agree to do this. They will only agree if they accept that it is unreasonable to expect your partner to look for even part-time work.

FURTHER HELP

If you run into difficulties you can phone the DWP's Managed Migration Helpline on **0800 169 0328**.

Alternatively you may be able to get support from Citizen's Advice who run a national Help to Claim Helpline. Advisers are available 8am to 6pm, Monday to Friday on one of the following numbers:

- England 0800 144 8 444
- Scotland 0800 023 2581
- Wales 08000 241 220

If you can't hear or speak on the phone, you can type via Relay UK on 18001 then in:

- England 0800 144 8 444
- Wales 08000 241 220



FREEPHONE HELPLINE

0808 808 3555

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www.contact.org.uk



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