

# **Move to Universal Credit (managed migration): Transitional Protection**

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## **Introduction**

Universal Credit is calculated differently to Legacy benefits. This means that a claimant moving to Universal Credit might not be paid the same amount as they received before.

For those who claim Universal Credit as part of the Move to Universal Credit (managed migration) programme, if the amount of Universal Credit the claimant is entitled to is less than the amount they were entitled to on their Legacy benefit(s), an additional amount known as Transitional Protection is available.

To find out more about Move to Universal Credit (managed migration), see [Move to Universal Credit \(managed migration\)](#).

## **Eligibility**

Move to Universal Credit (managed migration) claimants who make a claim to Universal Credit within 1 month of the deadline date outlined in their migration notice are eligible to be considered for Transitional Protection.

If they make a claim more than 1 month after the date on their migration notice, they are not entitled to Transitional Protection, even if their claim is backdated.

Some claimants who were in receipt of Severe Disability Premium (SDP) will also be in receipt of the Transitional Protection Additional Amount, even though they are not part of the Move to Universal Credit (managed migration) programme.

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

## **Calculation**

Transitional Protection is calculated by comparing the total amount of all Legacy benefit(s) the claimant had been awarded, with the total amount of Universal Credit they would be entitled to (Universal Credit notional amount).

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

## **Impact on the Universal Credit award**

The monthly Transitional Protection is paid at the end of every assessment period as part of the Universal Credit award. It forms part of the maximum award calculation.

On the Universal Credit statement, this shows as a separate amount in the 'What you are entitled to' section under the heading 'Transitional Protection'.

## **Earnings impact on Transitional Protection**

An increase in earnings, will not erode a claimant's Transitional Protection. However, the additional amount is added to the claimant's entitlement before any deductions in the same way as any other additional amount (such as housing). So, while Transitional Protection entitlement is still the same, their award from Universal Credit may be lower due to the impact of the increased earnings.

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

If this happens, the claimant's Transitional Protection will stop.

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

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

The Work Allowance and Earnings Taper rules still apply.

## **Erosion**

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

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

Transitional Protection is not time limited but will erode when:

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

When this happens Transitional Protection will erode penny for penny and happens in the same assessment period that the increase is paid.

Transitional Protection is not increased by uprating. However, it is eroded by the uprating of all other Universal Credit allowances and additional amounts in the award except the additional amount for childcare.

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

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

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

A claimant receiving Transitional Protection has a Universal Credit award of £1000 at the end of their assessment period.

The claimant's Standard Allowance and additional amounts for housing and children add up to £880. The claimant also receives Transitional Protection of £120. This means that the total award the claimant sees on their statement is £1000.

In the next assessment period, the claimant's additional amount for housing increases by £50.

At the end of the assessment period, this means that the total amount of the claimant's Standard Allowance and additional amounts for housing and children is £930 rather than the £880 it was in the previous assessment period.

The Transitional Protection erodes penny for penny with any increase to the Universal Credit award, apart from childcare costs.

This means that as the claimant's Universal Credit maximum amount has increased by £50, their Transitional Protection Additional Amount will reduce by £50. The Transitional Protection Additional Amount that was previously £120 will reduce to £70.

The claimant's award for this assessment period will be made up of £930 for the Standard Allowance and additional amounts for housing and children, and £70 of Transitional Protection. This totals £1000.

Assessment period 1: Universal Credit award is £1000 (£880 + £120 Transitional Protection)

Assessment period 2: Universal Credit award is £1000 (£930 + £70 transitional protection)

## **Annual uprating**

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

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

Transitional Protection is eroded by any uprating applied as part of the annual review. The only exception to this being where there is an uprating to childcare costs.

Example: How Transitional Protection is eroded due to annual uprating

A claimant has a £500 Universal Credit entitlement. This includes a Transitional Protection Additional Amount of £200 and £300 of other standard Universal Credit amounts.

During the next assessment period, an annual uprating takes place which means the claimant's entitlement (excluding Transitional Protection) increases to £320.

The claimant is not in receipt of the additional amount for childcare, so the entire value of the uprating will be eroded from the claimant's Transitional Protection.

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

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

## **When Transitional Protection stops**

Transitional Protection stops in the following circumstances:

- couples forming
- couples separating
- when an increase in Universal Credit is greater than the amount of transitional protection in payment
- the claimant has earnings equal to or above the Administrative Earnings Threshold (AET) in their first assessment period and the claimant's earnings

then drop below the AET for 3 consecutive assessment periods at any time during the Universal Credit claim

- the Universal Credit award is terminated

Once Transitional Protection has ended, it will never be re-awarded except in the following circumstances:

- when a claimant has an increase in household earnings that means their Universal Credit payment is nil
- and they are no longer entitled to Universal Credit.

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

The 4 months are calculated from the end date of the assessment period in which the claimant was last awarded Universal Credit.

This is to encourage claimants to still work and earn more where possible.

### **When Transitional Protection can be revised**

Transitional Protection calculations can be revised if the information used to calculate the total Legacy benefits or the Universal Credit amount was incorrect, for example:

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

### **Benefit Cap**

The Benefit Cap limits a household's total entitlement to Universal Credit unless they meet one of the exemption criteria.

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