

Universal Credit Policy Division

**Explanatory memorandum for the
Social Security Advisory Committee**

**The Universal Credit (Transitional Provisions)
Amendment Regulations 2022**

**For the meeting of the Social Security
Advisory Committee on 8th December 2021**

DWP Department for
Work and Pensions

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Explanatory memorandum for the Social Security Advisory Committee from the Department for Work and Pensions

The Universal Credit (Transitional Provisions) Amendment Regulations 2022

Introduction

1. One of the main elements of the Welfare Reform Act 2012 was the introduction of Universal Credit (UC), which:
 - improves work incentives by removing the need to claim different in- and out-of-work benefits and reducing the risks associated with moving from benefits into employment; and
 - simplifies the way existing benefits are calculated and delivered by replacing income-based Jobseeker's Allowance (JSA(IB)), Housing Benefit (HB), Child Tax Credit (CTC), Income Support (IS), Working Tax Credit (WTC), and income-related Employment and Support Allowance (ESA(IR)) into a single benefit for people both in- and out-of-work.
2. The initial roll out of UC, to different Jobcentre Plus districts, began in April 2013. UC was fully rolled out across Great Britain from 12th December 2018 and for all postcodes across the UK from 1st February 2019 Tax Credits were abolished (with some exceptions) from this date¹.
3. Now that UC is fully available to new claimants and rolled out across the UK, it is no longer possible for claimants of working age to make a new claim to existing benefits², except for two exceptions:
 - Frontier Workers (those who reside outside, but work within, the UK). Those eligible for support can continue to make a claim to tax credits for an interim period of time. These claimants, if eligible, will be able to claim UC in the future; and
 - claimants who are living in temporary or specified accommodation. These claimants can still make a claim to Housing Benefit. These claimants are able to make a claim for UC to support them with their non-housing costs.
4. Where claimants do not fit into the above criteria and have a change of circumstances so that a new claim for a benefit (that UC is replacing) is required, they now make a claim for UC and in making such a claim all existing benefits will terminate. This process is known as 'natural migration'.
5. Recipients of legacy benefits can also choose at any time to move to UC, this

¹ Tax credits were abolished (with some exceptions) from this date. JSA(IB) and ESA(IR) are abolished for the individual once a UC claim is made. This is also achieved via Commencement Order.

is known as making a 'voluntary migration'.

6. Starting in July 2019, and expected to be completed by the end of financial year 2024/25, it is intended that the final phase of UC roll out will take place. The Department will initiate the transfer of those remaining existing benefit claimants to UC where no change of circumstances has taken place nor has the claimant chosen to move. This process is known as managed migration (referred to as Move to UC).
7. A pilot for Move to UC started in July 2019, to develop, test and adapt processes so claimants invited to move to UC by the Department can do so smoothly and effectively. This was suspended in March 2020 due to the Covid-19 pandemic.
8. These regulations prepare for the resumption of Move to UC starting from 2022. The instrument also contains amendments in relation to the natural migration process and the removal of provisions that are no longer necessary following the full roll-out across Great Britain.
9. These amendments will allow the Department to complete the movement of remaining existing benefit claimants to Universal Credit (UC) by the end 2024, in line with the Manifesto commitment made by this Government.

Resumption of managed migration

10. The 'managed migration' process (referred to as Move to UC) involves a claimant receiving an existing benefit(s) being sent a 'migration notice'. This informs them they must make a claim to UC and that their existing awards will come to an end if they have not made a UC claim on or before the deadline date they have been given.

Future plans for testing for migration

11. The Department recognises that claimants' confidence, experience of and trust in handling interactions with the benefits system will vary.
12. The Department has identified several key learnings that we will need to focus on when testing migration to deliver a successful outcome for the department and claimants, this is set out in Annex A. These include:
 - a. Establishing processes for gathering accurate data to identify the different circumstances of claimants and support managed moves.
 - b. Understanding how to appropriately notify claimants.
 - c. considering the different levels of support required to make a successful claim recognising differences in claimants' needs.

- d. Understanding the processes and tools required to calculate and confirm someone's entitlement, ensure they are paid the correct award and are protected.
 - e. Understanding the barriers claimants may face after making their claim and the support they need.
13. The Department is still finalising its plans for the resumption of Move to UC and will be mindful to differentiate approaches according to the needs of claimants.
14. UC programme's governance will take into account a number of factors including operational readiness, key functionality being in place and ensuring the Department has processes in place to support vulnerable claimants.

Stakeholder engagement

15. As the Department moves forward with its detailed design for Move to UC, it will continue its intensive work to inform its approach to the process of moving people to ensure that claimants are supported to claim UC successfully.
16. Since 2018, the Department has held a number of workshops and webinars with organisations including Local Authorities, Housing Associations, third sector organisations with relevant insights and experience, focusing on three work streams: (1) Service Design; (2) the Delivery Model and (3) How we identify and support Vulnerable Claimants.
17. In early 2021, the Department started to re-engage with stakeholders, to discuss voluntary migrations, recognising that the department estimates a number of existing claimants would see a higher level of entitlement on UC than they currently receive, and aims to highlight to claimants that they are able to move to UC, and benefit from a higher rate before being mandated to do so. Our discussions with stakeholders allowed them to provide their thoughts and insight into our approach.
18. The Department will continue to engage with stakeholders in this manner and is actively ramping up our engagement. This will ensure the Department continues to get the necessary insight from concerned groups as the Move to UC design progresses.

Explanation and effect of the proposed changes

Abolition of the Secretary of State discretion to determine that claims for universal credit may not be made

19. Regulation 4 of the 2014 Regulations permits the Secretary of State to suspend taking new UC claims to safeguard the efficient administration or to ensure the effective testing of systems. This provision was needed when UC was in its infancy as an additional safeguard to its safe and controlled introduction. However, UC is now fully rolled-out and the robustness of UC IT systems and administration is now such that this power is highly unlikely ever to be exercised and should therefore be revoked.

20. **Regulation 2** and the **Schedule** make amendments to various pieces of legislation to achieve the above.

Abolition of the exclusion of claims for certain existing benefits

21. In the same way that regulation 4 of the 2014 Regulations was pertinent during the roll-out of UC, regulation 6 is also hangover from the period when UC was being phased in gradually based on postcode where claimant's met certain conditions.

22. The primary function of regulation 6 was to prevent³ a person returning to HB, Tax Credits or IS once they have claimed, or are receiving, UC but was superseded in 2015 by article 7 of the Welfare Reform Act 2012 (Commencement no 23 and Transitional and Transitory Provisions) Order no 23⁴ which was a more sweeping provision preventing claims for HB, Tax Credits and IS where a person could claim UC. Any exception that remained relevant (principally those claimants in temporary and supported accommodation who continued to be entitled to UC) were replicated in article 7.

23. As a result, the Department believes that this provision is no longer needed, especially as it is covered elsewhere. Therefore **regulation 3** revokes regulation 6 of the 2014 Regulations to achieve this.

Termination of existing benefits – removal of requirement for Secretary of State to determine that the basic conditions are met

24. The amendments include a provision that will remove a sub-paragraph, 8(1)(b), of the 2014 Regulations. This provision was also introduced for the very early stages of the UC rollout. It requires that the Secretary of State is

³ Subject to certain exceptions which no longer apply or are replicated elsewhere.

⁴ https://www.legislation.gov.uk/uksi/2015/634/pdfs/uksi_20150634_310319_en.pdf

satisfied that the basic conditions of eligibility for UC (excluding the condition that a claimant commitment has been agreed) have been met before awards of IS, HB or Tax Credits can be terminated when UC is claimed.

25. A full decision on meeting these Basic Conditions does not have to have been made for SoS to be 'satisfied' that the claimant meets them and for IS, HB or tax credits awards to be terminated. Thus, in practice existing benefits are terminated even where further consideration may be required – for example a Right of Residence/ Habitual Residence Test, or a determination as to whether the claimant is in full- or part-time education.
26. However, there may be cases where there is sufficient doubt as to whether the Basic Conditions are met at the point of the claim, such that termination of IS, HB and Tax Credits cannot be initiated without further investigation. It is in these instances that an unintended effect of the Regulations might occur.
27. The provision governing the termination of JSA(IB) and ESA(IR) is contained in Commencement Orders rather than the Transitional Regulations. Here, the only requirement is that a UC claim has been made: there is no matching requirement regarding the Basic Conditions.
28. This means that there could be cases where a doubt as to whether meeting the Basic Conditions means that an HB and/or Tax Credits award⁵ cannot be terminated at the point of UC claim pending further investigation, but the JSA(IB) or ESA(IR) award must be. Where it is found that the claimant does not satisfy UC's basic conditions, the claimant would find themselves remaining on HB or Tax Credits (subject to continued entitlement), but unable to make a new claim for JSA(IB) or ESA(IR).
29. **Regulation 4** amends regulation 8 of the 2014 Regulations to achieve. this It also covers consequential amendments that need to be made to regulations 7, 12 and 12A also in the 2014 Regulations.

Managed migration - persons who claim as a different benefit unit

Revocation of regulation 47

The current regulation 47 of the 2014 Regulations provides for cases where claimants who were being treated as a couple or members of a polygamous marriage when they received a migration notice are treated as single when they claim UC. This could be because they separate after the issue of the notice or it could be because of differences between UC and existing benefits rules. For example, in existing benefits the members

⁵ A claimant cannot receive IS and JSA(IB) or ESA(IR) at the same time, so this will not arise in IS cases.

of a polygamous marriage are all treated as part of one award whereas in UC the parties to the first marriage are treated as a couple and the party to the second marriage is treated as single and this results in two separate awards. Also, in tax credits some married couples who live apart continue to be treated as couples for Tax Credit purposes whereas they are single for UC purposes.

30. It is likely, especially in those cases of couple separation, that as ex-members of the previous couple household will be claiming as single persons, they are likely to claim UC at different times after receiving the migration notice. Regulation 47 provides that when the first UC claim is made by one of those persons all awards of the existing benefit, to which they or their ex-partner are entitled, will terminate. This means that a claimant, who was receiving benefit for a partner from whom they had separated, could have their entitlement to benefits stopped if that partner (who was not entitled to existing benefits) makes a UC claim before they do, even though they may continue to meet the benefit's conditions of entitlement.
31. The above situation outlined in paragraph 26, does not align with the current treatment of cases where a couple, where one is entitled to existing benefits for the couple, separate without having been issued with migration notices. In these situations, the ex-member who was not previously on an existing benefit will need to claim UC on their own behalf if they need support while the other ex-member will remain entitled to their existing benefits which will be reassessed for them as single awards.
32. The removal of regulation 47 from the 2014 Regulations by **regulation 5** means that there will be consistency between when couples separate before being issued with a migration notice and the position for couples who separate after being issued with a migration notice in that in both cases the claimant who is receiving the benefit payments can remain on that benefit until they make a new UC claim as per the time period specified in the notification⁶.
33. Regulation 47 also provides where there are UC claims on separate dates, both will start from the earliest of those dates i.e. if one claimant made a UC claim two months before the other the later claim would start from the earlier date. For this provision to apply, the later claim will need to have been made on or before that claimant's "final deadline" as prescribed by regulation 46(4).
34. This was put in place primarily to protect claimants on Tax Credits who are formally recognised as couples (for example are married or in a civil partnership, or live as though they are) but who actually live apart. For

⁶ This position was also raised as a concern during the piloting of managed migration when processes were being developed for the migration of couples from existing benefits to UC.

example, where one member of the couple is away working in another part of the country for that period. Upon claiming UC, they will be treated as single claimants and have to make individual claims in their own right because they had lived apart or are expected to live apart for more than 6 months.

35. The provision ensured that if one of these claimants made their UC claim on a later day to the other, they did not lose out by having no entitlement between their tax credit termination, which would have occurred when the earlier claim was made, and the date on which they make their claim to UC.
36. However, upon reconsideration this provision is not, in its current state, necessary as there is already existing provision within the UC regulations⁷ that will provide protection for Tax Credit couples, and it allows backdating for up to a month where a claimant has been entitled to an existing benefit and the notification of expiry of entitlement to that benefit was not sent to the claimant before the last day the claimant's entitlement expired.
37. The Department believes that this will provide sufficient protection since it is unlikely that a situation would arise where claims from these couples would need to be backdated for more than a month. These claimants will still see themselves as a couple and therefore, they will be very likely to co-ordinate the making of their individual single UC claims. It would seem highly unlikely that one would wait for more than a month to make their single claim.
38. **The Schedule** also makes consequential amendments to other pieces legislation to achieve the above.

Transitional Protection

39. It has always been the intention that if a claimant has a change in couple status (a couple separate or a single claimant forms a couple) after being issued with a migration notice then the Department would not consider awarding them Transitional Protection (TP)⁸. This is because, even though the change in couple status may not, in its own right, have led to the termination of the claimant's existing benefit awards, it will be such a significant change in their circumstance to make meaningless any comparison between the level of their entitlement of their existing benefits as opposed to their new entitlement to UC.
40. The current provisions make clear that this is the position when a couple

⁷ Regulation 26(3)(aa) of The Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations 2013.

⁸ Transitional protection will be provided in the form of a transitional element. This will be calculated by comparing the total amount of all existing benefits that the claimant has been awarded with the total amount of UC that they would be entitled to when calculated according to the circumstances on which the claimant's existing benefit awards were based.

separate after being issued with a migration notice but before either makes a claim for UC. However, the regulations do not so clearly provide that TP should not be considered when a single notified existing claimant makes a new joint claim to UC as a member of a couple with another single existing benefit claimant.

41. **Regulation 5(2)** of these regulations therefore amends regulation 50(2) of the 2014 Regulations to make clear that TP should never need be considered for cases of single claimants who form a couple after being required to claim UC.

Managed migration – adjustment to transitional element where other elements increase

42. During the passage of the Welfare Reform Act 2012, the Department announced that existing benefit claimants who are migrated to UC by the Department who would otherwise have an initial lower entitlement to UC than they had to their existing benefits at the point they make their UC claim will be Transitionally Protected⁹. To this end, regulation 55 of the 2014 Regulations establishes how Transitional Protection will be applied to the UC award via the calculation of a Transitional Element (TE) in UC.

43. The announced policy has also always been that TE will subsequently be reduced by an increase in a UC element already in award or the award of a new UC element.¹⁰ Although this is the case, an issue has been identified in the legislative structure that where a UC claimant:

- was previously on ESA(IR) and was in receipt of both the Severe Disability Premium (SDP) and the Work-Related Activity Component
- was moved to UC by the Department and awarded the Limited Capability for Work (LCW) addition and received TE e.g. SDP as this is not replicated in UC;

they could lose out financially at a later date if they were subsequently found to have Limited Capability for Work and Work-related Activity (LCWRA)¹¹.

44. From a policy perspective, it has always been the intention that a reassessment from LCW to LCWRA be treated as an increase in the claimant's health related element and TE should therefore be reduced by the amount of the difference between the LCW and the LCWRA.

45. However, the issue identified in the legislative structure means that LCW and

⁹ <https://www.gov.uk/government/publications/transitional-protection-universal-credit-policy-briefing-note>

¹⁰ Other than the childcare costs element.

¹¹ This would also apply to claimants who were naturally migrated to UC and awarded the SDP Transitional Payment as this payment is 'turned into' TE.

the LCWRA are treated as two distinctly different elements. They are not two rates of the same element and therefore, where a claimant's health deteriorates and their work capability is reassessed, they do not experience an "increase" in their health-related element. Instead, the LCW is terminated and the LCWRA is awarded as a new element.

46. This means, that under a strict reading of regulation 55, the claimant's TE should be reduced by the full amount of the LCWRA (not the difference between it and the LCW) whilst the LCW amount would also be stopped. This could result in claimants having their overall entitlement to UC reduced when they experience a deterioration in their health. See **Annex B** for an example that illustrates the above.
47. As a result, **regulation 6** amends the 2014 Regulations to put it beyond doubt that the treatment of the LCWRA as a relevant increase is an exception to the general rule regarding amounts awarded for the first time to ensure these claimants do not lose in the above cases where LCWRA is subsequently applied to the UC award.

Managed migration - protection for students

48. Regulation 60 of the 2014 Regulations make provision for the treatment of existing benefit claimants who are in full-time education,¹² but upon making a new UC claim, having received a migration notice, would not meet the UC basic condition¹³ that they are "not receiving education". (This only affects single UC claimants, or couples who are both students, as joint claimants still qualify for UC if only one of them meets that condition.)
49. In these cases, regulation 60 exempts the claimants from this condition so they can:
- claim and be entitled to UC;
 - be awarded TP;
 - until the course they are attending (at the point they make their UC) ends.
50. As a result, a claimant could cease to be entitled to UC and then make another claim (which might be months or even years later) if they remained on the course they were on when first claiming UC. However, any other TPs they were receiving would have ceased, subject to the exception that allows TP to be carried forward to a new claim within 4 months where the previous award ceased because of earnings
51. The amendment being made via **regulation 7** stipulates that where the UC

¹² See regulation 12(2) of the UC Regulations 2013.

¹³ Section 4 (Basic Conditions) of The Welfare Reform Act 2012 ([2012 C5](#)).

awards ends the exemption will only be reapplied where transitional protection would be reapplied.

52. This clarifies the intention of the regulations and ensures that the protection given to full-time students is consistent with the treatment of other forms of TP that can be applied to those who move to UC which are:

- the transitional capital disregard, which is applied to Tax Credit claimants with capital of over £16,000 who are required to claim UC; and
- the Transitional Severe Disability Premium Element which can be awarded to eligible ex-recipients of existing benefits' Severe Disability Premium.

53. Regulation 7 also provides that the full-time student protection will cease following a sustained reduction of earning and following a change in couple status in the same way that the TE and the Transitional Capital Disregard will cease following those changes. This change creates greater consistency in the application of the suite of Transitional Protection measures that the Department is providing those who move to UC.

Abolition of discretionary hardship payments

54. As the Committee is aware, in the October 2018 Budget announcement, the Department committed to building on the introduction of the Transitional Housing Payments to HB for claimants who move to UC, which provides a two-week run-on of payments of HB when a claimant moves to UC. This was primarily in response to the consultation on the 2019 Regulations by the Committee¹⁴. In the Committee's report it stated:

“We do not believe that out of work claimants whose circumstances have not changed, and who may be completely reliant on benefits paid fortnightly, should bear the risks of the Government's policy that Universal Credit be paid monthly. The Government is proposing that they be offered a choice between financial hardship as they wait for their first payment, or getting into debt to the Department by requesting an advance payment. We do not believe that this is acceptable.”

55. As a result, the Department accepted the recommendation and a two-week run-on of payments of ESA(IR), IS or JSA(IB) was introduced (from 22nd July 2020) to smooth the transition for claimants moving from those existing benefits to UC who will receive their first payment of UC five weeks after a new UC claim is made.

56. The Government's response to the Committee also highlighted that:

¹⁴ [Universal Credit \(Managed Migration\) Regulations 2018 \(publishing.service.gov.uk\)](#) See recommendation 9 of the Government's response.

“As the managed migration test period will begin in July 2019, before the run on is introduced, we will include in the regulations the power to make discretionary payments to managed migrated claimants facing hardship. This will allow the Department the discretion to provide financial support to claimants who migrate ahead of the run-on commencing where this is needed to avoid hardship.

57. The two-week run-ons of ESA(IR), IS and JSA(IB) were introduced in July 2020. As the main policy intention behind the introduction of a Discretionary Hardship Payment (DHP) was to provide claimants who claimed UC (as part of the manage migration pilot) with a payment equivalent to these two-week run-ons before the run-on was introduced, the Department feels that provision to make such payments is no longer needed.

58. **Regulation 8** therefore removes provision for these payments to be made.

Managed migration - abolition of the limit on number of cases migrated

59. The 2019 Regulations gave the Department the ability to manage migrate claimants from existing benefits to UC where no relevant change of circumstances had taken place by issuing a migration notice.

60. The 2019 Regulations also limited the number of claimants the Department could move in this manner by stipulating that when the number of awards made to persons who have been issued with a migration notice has reached 10,000, no further migration notices can be issued.

61. This regulation was added in response to concerns expressed by stakeholders over the uncertainty of the process and the impact to existing benefit claimants who may have circumstances that needed specific consideration when moving to UC.

62. Prior to its suspension, the emphasis of the pilot was to develop a better understanding of the processes that would be needed to support existing claimants to safely move to UC, through careful design and testing with small groups of claimants. This was in-keeping with the way in which the UC service is enhanced on an ongoing basis, regularly conducting research with claimants and DWP staff to understand how UC is working and where improvements can be made.

63. In response to the pandemic the UC service has also demonstrated the ability to scale considerably to meet demand in a way that supported people to claim UC when they were facing uncertain circumstances.

64. We also reiterate our commitment to moving claimants across safely in addition to working with external stakeholders regarding voluntary migration.

65. **Regulation 9** removes the limit set on UC programme’s test and learn process as to how many claimants can be notified and migrated to UC.

Impact of the 2022 Regulations

Impact of the 2022 Regulations

66. From 2022 there will be approximately 1.7 million households who expect will need to be notified they are required to move to UC from existing benefits.. This figure (used in AME estimates and OBR forecasts) are those we expect to manage migrate after households that move due to natural migration, voluntary moves or legacy benefits closed are accounted for. Of those being moved to UC, we expect the bulk will be those receiving ESA(IR) and tax credits. See **table 1** which estimates the current legacy benefit caseload combinations in 2021/22. Not all of these households will necessarily be moved to UC via managed migration, as some will have a change of circumstance that leads to a natural migration or choose to claim UC voluntarily, but it gives a good indication of the type of household that will be moved.

Table 1. Breakdown of claimants remaining on existing benefits

Benefit	Number	Percentage
JSA (JSA only / JSA & CTC and/or HB)	100,000	<5%
ESA (ESA only / JSA & CTC and/or HB)	1,300,000	45%
IS (IS only / IS and CTC and/or HB)	200,000	5%
Tax Credits with/without HB (no JSA/IS or ESA)	1,300,000	40%
HB only	100,000	5%
Total	3,000,000	100%

Figures are rounded to the nearest 100,000 and nearest 5%.

67. As the Committee can see from the above, during Move to UC we expect a large proportion of the caseload being migrated from existing benefits will have a disability or health condition (around 45% are on Employments and

Support Allowance)¹⁵.

Revocation of regulation 47

68. The amendments being made to regulation 47 of the 2014 Regulations in relation to couples separating are designed, (i) to align better with the current treatment of couples supported by legacy benefits that separate and have not been issued with a migration notice, and (ii) to take into account the fact that under the provisions, as they commonly stand, a claimant's existing benefit can be terminated based on the actions of another individual; as this results in a complexity that may not be understandable to all, especially if the claimant has a learning disability, we are seeking to amend it.

Abolition of discretionary hardship payments

69. Like all existing benefits who are moved to UC, Tax Credits recipients are currently eligible to claim an MDHP. In contrast, TC recipients will not be eligible for the two-week run-on as this is only available to those on income related benefits (ESA(IR), IS and JSA). The removal of the MDHP could therefore have an impact on those disabled people who only receive tax credits. However, it should be noted that guidance issued to staff on considering the amount of MDHP it might be appropriate to make suggested that this be based on the amount of the ESA(IR), IS and JSA(IB) personal allowance rate, in order to reflect the two week run-ons, minus any earned income that the claimant would have. Given that a WTC claimant would have to be working at least 16 hours a week, being paid at or above the National Minimum Wage, in following the guidance issued for MDHP, it would have been unlikely a MDHP would have been made to these claimants.

70. It is also likely that tax credit only cases will have alternative forms of income, for example earnings or capital, to help support them until they receive their first UC payment. They will also be able to claim an advance of 100% of their estimated UC entitlement within days of claiming which can be phased over 24 months.

Managed migration - abolition of the limit on number of cases migrated

71. From an operational perspective, UC currently accepts claims from all claimant types, including those with a disability or health condition. Most claims are made via the online channel. However, claimants have an option to claim via telephone and face-to-face channels. Arrangements are also in place (using the DWP Visiting Service) for claimants who are not able to use any of these channels and do not have an appointee to administer their claim

¹⁵ Other existing benefits could also have claimants who have a disability or health condition but it is not currently possible to identify how many.

to enable them to claim UC.

72. Although the above arrangements are already in place, and enhancements have been made since the implementation of UC, we will consider how to design and adapt processes to ensure the safe movement of the most vulnerable claimants to UC. The 2019 Regulations themselves also have certain safeguards so:

- claimants with health conditions can extend the time by which they need to make a new UC claim, if they are finding it difficult to complete the claim within the timescales they have been given;
- where it is identified that existing benefit claimants are vulnerable or have complex needs and they have not made a new UC claim by the deadline day, their existing benefit claims will continue until such time that it is felt that the claimant is capable of continuing with the managed migration process or for a home visit to be arranged to help them make a new UC claim.

The transitional element – initial amount and adjustment where other elements increase

73. Not making the change would mean that claimants who are awarded TE and have LCW would have any TE awarded reduced if they were reassessed as having LCWRA by the full amount of the LCWRA addition rather than the difference between the LCW and LCWRA addition. This amendment clarifies this exception in Regulation 55 to ensure these claimants do not lose when their health deteriorates.

Monitoring and evaluation

74. The continuing rollout of UC in this final phase will be closely monitored, reflecting the careful and considered approach of the department which will be informed by user research and testing.

Annex A: learnings to focus on

Stage	Learning
Identify the different needs and circumstances of people to move	<ul style="list-style-type: none"> • Are we able to gather from across government the accurate and reliable data to identify people in scope to move? • Do we have accurate data that may help identify circumstances that may affect someone's move? • What processes and tools are required for these activities to perform them efficiently? For example, collecting information from our own systems and others e.g. LAs and HMRC
Notify claimants to make a claim to UC	<ul style="list-style-type: none"> • Can we identify different notification needs, and how do we successfully notify claimants with different needs? • How well do claimants understand the impact of the notification (what is being asked of them/ what they need to do by when / where to get help)?
Provide support that people need in order to make a successful claim to UC	<ul style="list-style-type: none"> • What different levels of support and types of support are needed for different groups of claimants? • How to effectively provide different types of support for different needs at different times, including which organisations may be best suited to provide different support for different needs. • How well claimants understand the support available to them.
Confirm a claimants entitlement from legacy benefits and ensure they are paid the correct award	<ul style="list-style-type: none"> • What processes and tools do we need to accurately and efficiently identify claimants that have made a claim to UC and apply and calculate Transitional Protection? • What processes and tools do we need to accurately identify when someone has not made a claim by their deadline date and what support is needed in this situation?

Stage	Learning
Provide support that moved to UC claimants may need during their first assessment period	<ul style="list-style-type: none">• Do move to UC claimants encounter different barriers in the service.• What solutions work to reduce these barriers.

Annex B: Employment and Support Allowance claimant moving to UC who is in the Work-related Activity Group

An income-related Employment and Support Allowance claimant who is aged over 25 is moved to UC as part of the managed migration to UC. As part of their ESA(IR) award they also receive the Work-related Activity Component (WRAC) and Severe Disability Premium. On being migrated to UC by the Department they are awarded the Limited Capability for Work (LCW) addition¹⁶ as part of their UC award. As the SDP is not replicated in UC, they are awarded a Transitional Element (TE). They are then subsequently found to have Limited Capability for Work and Work-related Activity (LCWRA).

Amendments to regulations not applied

ESA(IR) entitlement per month		UC entitlement/ LCW per month		UC entitlement/ LCWRA per month	
Personal Allowance –	£323.70	Standard Allowance –	£324.84	Standard Allowance –	£324.84
WRAC –	£128.70	LCW –	£128.89	LCWRA –	£343.63
SDP –	£291.63	TE ¹⁷ –	£290.30		
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Total	£744.03	Total	£744.03	Total	£668.47

Once LCWRA is applied to the UC award it is taken fully into account causing the TE of £290.30 to be eroded completely. This giving them an overall loss of £75.56 a month.

¹⁶ Via regulation 19 of the 2014 Regulations. Saving for this provided under The Employment and Support Allowance and Universal Credit (Miscellaneous Amendments and Transitional and Savings Provisions) Regulations 2017. https://www.legislation.gov.uk/uksi/2017/204/pdfs/uksi_20170204_en.pdf

¹⁷ Existing benefit amount (£744.03) – UC entitlement (£453.73) = TE (£290.30).

Amendments to regulations applied

ESA(IR) entitlement per month		UC entitlement/ LCW per month		UC entitlement/ LCWRA per month	
Personal Allowance –	£323.70	Standard Allowance –	£324.84	Standard Allowance –	£324.84
WRAC –	£128.70	LCW –	£128.89	LCWRA –	£343.63
SDP –	£291.63	TE –	£290.30	TE –	£75.56
<hr/>		<hr/>		<hr/>	
Total	£744.03	Total	£744.03	Total	£744.03

Once LCWRA applied to the UC award the difference between the LCW and LCWRA addition are worked out and deducted from the TE of £290.30 giving a continuing payment of TE of £75.56¹⁸.

¹⁸ If this was a claimant who had been awarded TE because they had qualified for the SDP Transitional Payment, the loss would be £70.26.