

## 02/24 - Migration of Tax Credit Claimants and Miscellaneous Amendments - UC and other Benefits

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### INTRODUCTION

1. This Memo gives guidance on *The Social Security and Universal Credit (Migration of Tax Credit Claimants and Miscellaneous Amendments) Regulations 2024*<sup>1</sup>.

[1 S.I. 2024/341](#)

2. The regulations come into force on **01/04/2024**, except in three specific instances in relation to Tax Credits (see paragraphs 8 to 12). Attention is particularly drawn to the coming into force date of paragraph 9, which is in **2025**.

3. In one instance these regulations involve various benefits with regard to the Special Support Loan (paragraph 4). In all other instances these regulations deal with Universal Credit (paragraph 6 onwards).

### SPECIAL SUPPORT LOAN

4. Regulations 2 to 5 deal with a new Scottish student support payment, the Special Support Loan (SSL),

which is to be disregarded as income in Income Support, Jobseeker's Allowance, Housing Benefit, and Employment and Support Allowance. A common new wording is inserted into the relevant regulations in each benefit, which encompasses the SSL (and any future scheme meeting the same purpose):

*A loan under the Education (Student Support) Regulations 2011 or regulations made under section 73 of the Education (Scotland) Act 1980 that is intended to meet the costs of books, equipment, travel expenses or childcare costs is to be disregarded as income<sup>1</sup>*

*1 Income Support (General) Regulations 1987, Reg 66D, Jobseeker's Allowance Regulations 1996 Reg 136C, Housing Benefit Regulations 2006 Reg 64B, Employment and Support Allowance Regulations 2008 Reg 139A*

5. No equivalent amendment is required for Universal Credit because provision already exists to disregard the SSL by virtue of the application of Regulation 68(2) of the Universal Credit Regulations 2013 (if the claimant is also receiving a student loan for maintenance costs) and Regulation 70 (if the claimant does not have a student loan for maintenance costs).

## **UNIVERSAL CREDIT**

### **TREATMENT OF STUDENT INCOME**

#### **YOUNG STUDENT BURSARY**

6. Regulation 7(4) changes the definition of 'student loan' in order to remove reference to the Young Student Bursary (YSB) at Regulation 68(7) of the Universal Credit Regulations 2013. In Regulation 68(7) the YSB is described as a loan, but in light of changes to funding arrangements it should now be considered a grant, rather than a loan. Nevertheless, the YSB remains disregarded as income under Regulation 68(3). This change merely removes the redundant reference to YSB in Regulation 68(7).<sup>1</sup>

*1 UC Regs 2013, Reg 68(7)*

#### **CALCULATION OF STUDENT INCOME**

7. Regulation 7(5) amends Regulation 71 of the Universal Credit Regulations 2013 which governs how one apportions a student's income over the relevant assessment periods. These regulations add an extra step into this process to ensure that where the student makes their claim part-way through the academic year or period of the course if shorter, that income will be apportioned over the whole academic year or course period (not just from the date when they made their claim)<sup>1</sup>.

*1 UC Regs 2013, Reg 71*

# TAX CREDIT CLOSURE AND MIGRATION

## PREVENTING RENEWAL OF TAX CREDITS

8. Regulation 8(2) is designed to prevent any renewal of existing Tax Credit claims or allow a person who is claiming one tax credit (for example Working Tax Credit), to claim the other Tax Credit (Child Tax Credit), and vice versa. This will also ensure there are no Tax Credits claims from April 2025.

9. Regulation 6A of the Universal Credit (Transitional Provisions) Regulations 2014 states that a person cannot make a claim to a Tax Credit. However, exceptions are provided in Regulation 6A(6) for existing Tax Credit claimants to claim the other Tax Credit and (7) for existing Tax Credit claimants to apply to renew their awards. These exceptions are now removed<sup>1</sup> – so there can be no more claims to a Tax Credit. This regulation does not come into force until **06/04/2025**.

*1 UC TP Regs 2014, Reg 6A(6) and 6A(7)*

## IN-YEAR FINALISATION OF THE TAX CREDIT AWARD

10. Regulation 8(3) amends Regulation 12A of the Universal Credit (Transitional Provisions) Regulations 2014, which deals with the finalisation of the Tax Credit award. It allows mid-financial year ('In-Year') finalisation of a Tax Credit award so the claimant can receive finalisation on their claim being terminated, rather than waiting until the end of the financial year.

11. The regulations make amendments such that where a claimant was issued with a Managed Migration notice, but they subsequently failed to claim before the deadline date, so that DWP sent a stop-notice that led to the termination of their Tax Credits, In-Year finalisation of the Tax Credit award can still take place<sup>1</sup>. This comes into force on **06/04/24**.

*1 UC TP Regs 2014, Reg 12A*

## CONSEQUENTIAL AMENDMENTS DUE TO CHANGES TO HMRC LEGISLATION

12. Regulation 8(4) responds to some technical changes that HMRC have made to the way a self-employed trader's tax liability on their trading profits is calculated. Schedule 1 to the Universal Credit (Transitional Provisions) Regulations 2014 is amended accordingly<sup>1</sup>. This provision comes into force on **06/04/24**.

*1 UC TP Regs 2014, Sch 1, Para 16*

## ADVANCE PAYMENTS

13. Regulation 6 amends The Social Security (Payments on Account of Benefit) Regulations 2013 to specify that a Universal Credit advance payment cannot be made to a claimant who does not have a

National Insurance Number<sup>1</sup>.

1 SS (Payments on Account of Benefit) Regs 2013, Reg 5(1)

## **ADOPTIVE PARENTS AND FOSTER CARERS**

14. Regulation 7(2) changes the definition of 'foster parent' (in regulation 2 of the Universal Credit Regulations 2013) to refer to the up-to-date legislation in this area - *The Care Planning, Placement and Case Review (England) Regulations 2010, and The Care Planning, Placement and Case Review (Wales) Regulations 2015*<sup>1</sup>.

1 UC Regs 2013, Reg 2

15. Regulation 7(3) deals with adoptive parents. Regulation 4(6)(a) of the Universal Credit Regulations 2013 states that a child cannot be the responsibility of a claimant if they are in Local Authority Care. This would mean the claimant could not receive the Child Element for any such child. Regulation 4A sets out exceptions to this. These regulations add a further exception to the list at 4A for prospective adoptive parents, to ensure that such claimants can receive the Child Element (all other qualifying criteria being met) prior to the final adoption order:

*“any period during which the child or qualifying young person is placed for adoption under the Adoption and Children Act 2002 or the Adoption and Children (Scotland) Act 2007.”*

1 UC Regs 2013, Reg 4A

## **ANNOTATIONS**

The number of this Memo ADM 2/24 should be noted at paragraphs:

Para 6: [H6007](#), Para 7: [H6140](#), Paras. 8 & 9: [M5320](#) & [Appendix 2 to Chapter M5](#), Paras. 10 & 11: [M6165](#), Paras. 14 & 15: [F1073](#)

## **CONTACTS**

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds. Existing arrangements for such referrals should be followed, as set out in Memo ADM [04/19](#) - Requesting case guidance from DMA Leeds for all benefits.

**DMA LEEDS: March 2024**

