

01-25: Transition to Universal Credit and Pension Credit - Miscellaneous Amendments

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INTRODUCTION

1. This Memo gives guidance on The Social Security (Miscellaneous Amendments) Regulations 2025¹.

[1 Social Security \(Miscellaneous Amendments\) Regulations 2025](#)

2. These regulations make changes in relation to the transition of legacy benefit recipients to Universal Credit (UC) and Pension Credit (PC). These regulations come into force on **27/01/25** except where otherwise stated.

THE TRANSITIONAL ELEMENT AND THE HOUSING COSTS ELEMENT

3. A Transitional Element (TE) may be part of a UC award where a legacy benefit recipient claims UC through Managed Migration, or where a Natural Migration claimant receives a Transitional Severe Disability Premium Element. The TE erodes whenever there is an increase in the elements of their UC award, or where a new element is awarded (except with regard to the childcare costs element).

4. A person's housing costs are usually covered by the Housing Costs Element (HCE). However, if they are resident in specified/temporary accommodation¹ these are covered by Housing Benefit (HB) instead and are not covered within UC.

5. This means that when someone moves from specified/temporary accommodation into accommodation covered by UC, they must claim the HCE, with the result that their TE will be eroded by that amount.

6. A decision of the Upper Tribunal determined this process was discriminatory.²

7. Regulations are therefore amended so there is no erosion of the TE where the claimant moves from specified/temporary accommodation covered by HB to accommodation for which the claimant receives the HCE - but only if there is a less than one month duration between the end of the HB award and the beginning of the HCE award³.

8. This change comes into force on **01/06/25**.

1 Reg 2(1) UC TP Regs 2014; 2 SSWP v JA [2024] UKUT 52 (AAC); 3 Universal Credit (Transitional Provisions) Regulations 2014, Reg 55

THE RELEVANT PERIOD AND THE LCWRA ELEMENT

9. Before payment of the Limited Capability for Work and Work-Related Activity (LCWRA) element usually a three-month 'relevant period' must be served. Where a UC claimant had an LCWRA determination in their ESA award on the day they migrate to UC then they carry that LCWRA determination to their UC claim and do not have to serve the relevant period.

10. However, where there is a gap between the end of the ESA award and the UC award (and there is no national insurance credit for LCWRA awarded), the claimant must serve the relevant period if they are found to have LCWRA.

11. A decision of the Upper Tribunal ruled that where the reason for that gap was that the ESA terminated as a result of reaching state pension age, that it was discriminatory that the gap meant the required period had to be served.¹

12. Regulations are therefore amended to treat those UC claimants whose entitlement to ESA ends because they reach state pension age as being able to carry their LCWRA determination into UC, and not have to serve a relevant period. The UC claim must be made within a month of the ESA award ending to take advantage of this provision.²

1 PR V SSWP [2023] UKUT 290 (AAC); 2 UC TP Regs, Reg 21

MIGRATION FROM TAX CREDITS TO UC: DEADLINE FOR MAKING A CLAIM

13. Where someone is invited to claim UC through Managed Migration they are sent a 'Migration Notice', giving them three months to make their claim.

14. Entitlement to Tax Credits ends on 05/04/25. There may be cases where a Migration Notice cannot be sent within three months of that date (for instance, where someone becomes entitled to Tax Credits following a mandatory reconsideration). Regulations are therefore amended to allow the deadline for making the UC claim for a Tax Credit recipient to be 06/04/25 in that circumstance¹.

1 UC TP Regs, Reg 44

MIGRATION FROM TAX CREDITS TO PC: DEADLINE FOR MAKING A CLAIM

15. Where a Tax Credit recipient is invited to claim PC through the issue of a Tax Credit Closure Notice they are given three months to make their claim.¹

16. For the same reasons as in paragraph 14 above, the legislation is amended to allow the deadline for making the claim for PC to be 06/04/25 in that circumstance.

CHANGE IN COUPLE STATUS PRIOR TO UC CLAIM

17. There is no TE where the couple status of the claimant/s changes (i.e. a single person joins a couple, a member of a couple becomes single, or a member of a couple becomes part of a different couple) between the issue of the Migration Notice and the claim for UC.

18. An ambiguity could arise where the couple status changes not because of an actual change in the composition of the couple, but rather because the way a couple is defined is different in the legacy benefit than in UC. Regulation 50 is amended to confirm that where the difference is due to this difference in definition there cannot be a TE¹.

1 UC TP Regs, Reg 50

PROTECTION FOR STUDENTS

19. It is a condition of entitlement to UC that the claimant cannot be in education. However, an exception is made for someone who is already in education when they claim UC (after receiving a Migration Notice), who can receive UC whilst that course remains ongoing.

20. The regulations are amended to clarify a few issues. The phrase “notified person” is replaced with “person who made a qualifying claim”. A “notified person” is defined as a person to whom a Migration Notice is issued. However, the protection should only apply to someone who actually made a claim to UC on or before the final deadline day – i.e. someone who made a qualifying claim.

21. The phrase “on the day on which all awards of benefit are to terminate” is replaced with “migration day”, as the former phrase creates ambiguity in cases where the benefits terminate on different days, whereas the latter gives a standard day – i.e. the day before the UC award begins.

1 UC TP Regs, Reg 60

DEFERRAL OF RETIREMENT PENSION INCOME

22. Regulation 60B of the UC TP Regs 2014 states that a claimant migrating from Tax Credits to UC has an exemption from having notional income derived from deferred retirement pension taken into account, for a duration of 12 assessment periods.

23. The regulation is amended to make it clear that the 12 assessment periods begin at the point that a qualifying claim results in an award of UC – i.e. a claim made within the final deadline date, following receipt of a Migration Notice.

1 UC TP Regs, Reg 60B

TRANSITIONAL HOUSING PAYMENT

24. Regulation 8A of the UC TP Regs 2014 provides that Housing Benefit can continue for two weeks into a UC award when someone transfers to UC.

25. Regulation 8A references Regulation 46(1), which is concerned with the termination date of the legacy benefits where no claim is made before the deadline date. That reference is not required for Regulation 8A to work the way it was intended. Therefore, that reference is removed.

1 UC TP Regs, Reg 8A

CLOSURE OF TAX CREDITS

26. A Section 17 notice is sent to a Tax Credit recipient, which closes their Tax Credit award for that tax year and also allows them to be deemed as making a claim for the next tax year.

27. Regulations are amended to ensure that this kind of deemed claim cannot be made for the tax year after the closure date for Tax Credits, 05/04/25.¹ This change comes into force on **27/01/25**.

28. Also, an amendment is made to the relevant Commencement Order to repeal savings provisions that will be redundant after the Tax Credit closure date².

29. This change comes into force on **06/04/25**.

1 UC TP Regs, Reg 6A; 2 Article 3A, Welfare Reform Act 2012 (Commencement No.32 and Savings and Transitional Provisions) Order 2019

CHILDREN PLACED FOR ADOPTION IN PC

30. The general rule is that a child or qualifying young person cannot be the responsibility of a claimant if they are looked after by the Local Authority. However, where a child or qualifying young person has been placed with the claimant for adoption the intention is that they are treated as responsible for that child, thereby being able to receive the additional amount of PC¹. The regulations are amended to reflect this.

31. Also, a definition of “foster parent” is introduced (the definition as found in UC):

“foster parent” means—

- a. in relation to England, a person with whom a child is placed under the Care Planning, Placement and Case Review (England) Regulations 2010;
- b. in relation to Wales, a person with whom a child is placed under the Care Planning, Placement and Case Review (Wales) Regulations 2015;
- c. in relation to Scotland, a foster carer or kinship carer with whom a child is placed under the Looked After Children (Scotland) Regulations 2009²

1 State Pension Credit Regulations 2002, Para 4(3) of Schedule IIA; 2 Regulation 2, Universal Credit Regulations 2013

CHANGES TO ENTITLEMENT TO ADDITIONAL BEDROOM

32. Regulations allow couples who cannot share a room to have an extra bedroom included in their size allocation used to calculate their Local Housing Allowance limit. In order to take advantage of this, one member of the couple must receive the daily living component of PIP, or the middle or higher rate of the care component Disability Living Allowance (DLA), or the higher rate of Attendance Allowance (AA) (but not the lower rate of AA).

33. The middle rate of DLA is the equivalent of the lower rate of AA. To rectify that discrepancy regulations for UC is amended to ensure the lower rate of AA is included¹. This also applies to the Scottish equivalent, Pension Age Disability Payment (PADP).

34. Also, some typographical errors concerning the disabled child addition are also corrected. At the end of 12(6)(a) the word ‘and’ appears where ‘or’ should be. At the end of 12(6)(aa) the word ‘and’ is inserted².

1 UC Regs, Paragraph 12 of Sch 4; 2 UC Regs, Paragraph 12 of Sch 4

ANNOTATIONS

The number of this Memo (01/25) should be noted at paragraphs:

Paragraph 3: [M7501](#), paragraph 9: [F5040](#), paragraph 13: [M7070](#), paragraph 15: [DMG CH77](#), paragraph 17: [M7402](#), paragraph 19: [M7280](#), paragraph 22: NEW PARAGRAPHS IN [M7](#) FOR REGS 60A-C, paragraph 24: None, paragraph 26: [M5499](#) & [Appendix 2 to Chapter M5](#), paragraph 30: [DMG 78573](#),

paragraph 32: [F3136](#)

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 [07/19](#) - Requesting case guidance from DMA Leeds for all benefits.

DMA LEEDS: January 2025