

The move to **Universal Credit**

Managed Migration

Tax Credits

are being replaced by
Universal Credit.

Read this guide to
find out more.



IMPORTANT

If you are on Tax Credits and another legacy benefit ie.

- Income-Related Employment and Support Allowance
- Income Support
- Income-Based Jobseekers Allowance, or
- Housing Benefit

then you will not be part of the Manged Migration process until April 2024 at the earliest.

Depending on your circumstances you may not receive your Migration Notice until 2028.

This guide gives you the key information you need about the Universal Credit Managed Migration process, but it doesn't cover everything.

Getting independent advice from a qualified source will give you the information you need to make a successful move onto Universal Credit.

Who is this guide for?

This guide is for

Anyone receiving Tax Credits (Working and/or Child Tax Credit) but NOT receiving another 'legacy' benefit -

- Income-Related Employment and Support Allowance
- Income Support
- Income-Based Jobseekers Allowance, or
- Housing Benefit.

Why is this guide for Tax Credit-only claimants?

In 2023 and early 20204, the DWP are only asking those Tax Credit claimants who are not receiving another 'legacy' benefit to claim Universal Credit. So, the information in this guide is focused on these claimants.

What if I'm receiving one of the other 'legacy' benefits?

The earliest you will be asked to claim Universal Credit is April 2024. Look out for more information closer to the time. You may need to claim Universal Credit before then if you have certain changes in your circumstances. ALWAYS seek expert advice before making a claim for Universal Credit.

What if I don't want to claim Universal Credit?

HMRC are closing down Tax Credits so you will not be able to continue receiving support in this way. Once you are chosen for Managed Migration, the DWP will send you a letter - called a Migration Notice - and your Tax Credits will end whether you make a claim for Universal Credit or not.

If I am going to have to claim Universal Credit anyway, why don't I just make a claim now?

If you're currently getting a legacy benefit, then you do not need to do anything unless you receive your Migration Notice, or have certain changes in your circumstances.

If you claim too early, then you may not receive the Transitional Protection you are otherwise entitled to.

If you are unsure when you will need to claim Universal Credit, then speak to a Benefits Adviser.

What is Managed Migration?

Managed Migration

Managed Migration is the final phase of the roll out of Universal Credit.

It is where those claiming one or more of the 'legacy' benefits that Universal Credit is replacing are 'invited' to claim Universal Credit instead.

If you receive a 'legacy' benefit, then when it is your turn to move onto Universal Credit the DWP will send you a 'Migration Notice'.

This is a letter notifying you that your legacy benefit entitlement is due to end and inviting you to claim Universal Credit instead.

You don't need to do anything until you receive your Migration Notice.

If you do receive one - don't ignore it. Your 'legacy' benefits[^] will end.

Depending on your circumstances you may not receive your Migration Notice until 2028.

In 2023 and early 2024, Migration Notices will be sent to those claimants whose only 'legacy' benefit is Tax Credits.

The government has stated that it plans to complete the Managed Migration process by the end of 2029.

[^] Housing Benefit is not being replaced by Universal Credit for those living in certain types of supported housing classed as 'specified' accommodation, and those living in 'temporary' accommodation.

Universal Credit

Universal Credit is a benefit for working aged people designed to simplify the welfare system.

It combines the six 'legacy' benefits into one single payment. It is designed to give you a minimum level of income based on your individual circumstances.

It is for people who are working, looking for work, or unable to work due to an illness / disability or caring responsibilities.

The six 'legacy' benefits Universal Credit is replacing are:

- Working Tax Credit
- Child Tax Credit
- Income-Related Employment and Support Allowance
- Income Support
- Income-Based Jobseekers Allowance
- Housing Benefit[^]

Those claiming one or more of the above benefits will be 'invited' to claim Universal Credit instead.

IMPORTANT:

- If you receive a Migration Notice then your Tax Credits will end, whether or not you claim Universal Credit.
- Some Tax Credit claimants won't receive their Migration Notice until later in 2024.

Making the move onto Universal Credit

Step 1: Receive your Migration Notice

If you have received a Migration Notice, then your Tax Credits award will be ending soon - the date is in this notice (see page 4 for more about the process). Universal Credit works differently to Tax Credits - details in this guide.

Step 2: Get advice

There's lots to consider, so you are best seeking advice from a Benefits Adviser. They can chat through the best time for you to make your claim for Universal Credit (see page 7), whether you might be entitled to some Transitional Protection (see page 10), how to make a successful claim and any new responsibilities you are likely to have (see page 9).

Step 3: Get ready to claim

It is essential that you make a successful claim for Universal Credit. So knowing what's involved and gathering all the information and evidence needed is important. (See page 8 for some things to consider).

Step 4: Make a successful claim at the right time

When you have decided the best time to claim and have everything prepared to make a successful claim, then it's time to go online and make the claim (see page 6). If you are going to struggle, help is available (see page 13).

Step 5: First payment of Universal Credit

You'll receive your first payment of Universal Credit around 5 weeks after you make your claim (see page 6). Check that it is correct - mistakes can be made and it is better to spot these early on (see page 12). If you will find it difficult to manage whilst you wait for this first payment, think about requesting an Advance Payment (see page 6).

Step 6: Managing your ongoing Universal Credit award

If you have made an online claim for Universal Credit, then you will manage this online too. Login regularly to see if you have any 'to-dos', report any changes, report childcare payments and check your Universal Credit payment statements. Watch for texts (and emails) too and make sure you respond to these promptly.



The Managed Migration Process

When it is your turn to make the move onto Universal Credit through the managed migration process you will be sent a Migration Notice

The Migration Notice

This letter will explain that your Tax Credits are coming to an end and if you want to continue to receive financial support, you (and your partner, if you are in a couple) will need to make a claim for Universal Credit.

Time limits

The Notice will include the date on which your Tax Credits are due to end. This is sometimes referred to as your 'deadline day' and will be three months and a day after your Notice was issued.

Need more time?

If you are going to be unable to make your claim for Universal Credit by the deadline (or you need more time to get advice, or to get the documentation, evidence or information needed to make a successful claim), you can ask the DWP for an extension to this deadline. Call the DWP Migration Notice helpline (see page 13).

What happens then?

If you make a claim for Universal Credit before your 'deadline day' then this will bring your Tax Credits to an end.

Your Universal Credit award will start, and you will receive your first payment around five weeks later. You will then receive monthly payments after that (see page 6 for more details).

If you fail to make a claim for Universal Credit by your 'deadline day', then your Tax Credits will end on this day, even if you continue to meet the conditions of entitlement.

So it is important that you make a successful claim for Universal Credit (see page 6) before your 'deadline day' - but timing of that claim can be important (see page 7).

IMPORTANT:

- When you receive your Migration Notice, don't ignore it.
- Your Tax Credits will end whether you claim Universal Credit or not.
- There can be a best time to claim Universal Credit.
- If you are unsure - get advice.

FAQs

I've just received / filled in my Tax Credit renewal pack - do I still need to make a claim for Universal Credit?

You will need to complete and return your Tax Credits renewal as normal. If you have also received a Migration Notice, then you will also have to make a claim for Universal Credit (UC). Timing of that claim can be important – so speak to a Benefits Adviser.

There's a leaflet about Universal Credit in my Tax Credit renewal pack - is this my Migration Notice?

No. This leaflet is not your Migration Notice. The leaflet is to raise awareness that some people may be better off on UC. If you think this could be you, and you'd like to claim Universal Credit before receiving your Migration Notice, then get advice before making the claim, there's more you MUST think about.

I've not had a letter about the move to Universal Credit, but a neighbour has, should I just make a claim?

You do not have to do anything until you personally receive your Migration Notice from the DWP informing you that you need to claim.

If you claim UC before you receive your Migration Notice you will not be entitled to any Transitional Protection (see page 10) that you could have been entitled to. Some people may be better off on Universal Credit and want to claim as soon as possible, but there is lots you MUST think about before making a claim. It is always speak to a Benefits Adviser before making a claim for UC.

I've received a letter but I'm not sure if it is a Migration Notice

If it gives you a date by which you must claim Universal Credit, then it is a Migration Notice. At the bottom of each page of the letter it will state: 'This is a migration notice issued under regulation 44 of the Universal Credit (Transitional Provisions) Regulations 2014.' If you are still unsure, seek advice.

I've received my Migration Notice but I'm going to struggle to make a claim before the date in the letter – what should I do?

Contact the DWP Migration Notice Helpline, explain why you are going to struggle and request an extension. They can give you an extra 4 weeks in which to claim.

I've missed my deadline / my Tax Credits have stopped – what should I do?

If you need the financial assistance Tax Credits have given you, then you will need to make a claim for Universal Credit. If you make your claim within a month of your 'deadline day', your UC claim will be backdated and there will be no gap between your Tax Credits ending and UC starting (and you could still receive any Transitional Protection you are entitled to). If it is over a month since your deadline, claim Universal Credit as soon as possible (note: there will be a gap in your entitlements, and you will not be entitled to Transitional Protection).



Claims and Payments

Claiming Universal Credit

Claims for Universal Credit are made online:

gov.uk/universal-credit/how-to-claim

Both members of a couple need to make their own claim. If you need help, you can contact the Citizens Advice Help to Claim service (see page 13).

If you are going to struggle making and maintaining an online claim, then you may be able to have an offline claim – speak to a Benefits Adviser.

You will need an email address, bank account, and photo ID. If you do not have all of these then speak to a Benefits Adviser.

The claim form asks for details about you and your children/other people who live with you; details of your earnings, income and savings; and details of your rent and landlord.

IMPORTANT: Your claim is not made until you have completed all the sections and pressed 'Submit'.

Once you have made your claim, you will have access to your UC account.

For your claim to be successful, you will need to do everything that appears on your 'to-do' list. This includes:

- attending a New Claim Interview
- signing a Claimant Commitment
- providing any additional evidence or information requested.

Failure to do anything on your 'to-do' list could lead to your claim being closed. So keep checking on your UC account and your texts.

Universal Credit Payments

Your first payment

As long as you (and your partner, if you are in a couple) provide all the necessary evidence, verify your ID, attend a New Claim Interview, agree a Claimant Commitment, and complete all the 'to-dos' and actions the DWP have requested, then you should receive your first payment around five weeks after you claimed.

Advance Payments

If you need help whilst waiting for your first Universal Credit payment, then once (and your partner, if you are in a couple) you have verified your ID you can request an Advance Payment. This is an advance of your future award and so you will pay it back over time through deductions from your on-going Universal Credit payments.

Ongoing payments

You will then receive your Universal Credit payments on or around the same date every month. If you are going to struggle with monthly payments, the DWP can pay you more frequently - talk to your Work Coach or request this on your Universal Credit account.

IMPORTANT:

If you do not complete everything asked of you in time, your UC claim will fail. This could mean that there's a gap between your Tax Credit and Universal Credit entitlements and you will not receive the Transitional Protection you could have been entitled to.

Is there a best time to claim?

For some people there will be a best time to claim UC. Below we have listed just some reasons. **It is always best to speak to a Benefits Adviser before you claim.** NOTE: These are just examples, there are other factors to take into account.

5 week wait until your first UC payment

You may want to think about how you will manage until you receive your first UC payment. Whilst you can request an Advance Payment, this is a loan that will be repaid through deductions from your ongoing UC payments. If you are paid your Tax Credits every four weeks then making your claim for UC just after receiving this may help.

Working and getting paid monthly?

If you are working and paid monthly, then it is usually best if you don't make your UC claim around the date your wages are paid, as this can sometimes result in two monthly wages being used when the DWP assess one monthly UC award.

Paying for childcare or self-employed?

Then you will need to report your childcare payments / income and expenses at the end of every monthly Assessment Period. You can control when this is by choosing when you make your claim.

Change in Circumstances

If, before the date given in your Migration Notice:

- You are expecting the outcome of a claim for Personal Independence Payment or Disability Living Allowance for a member of your benefit family, or
- You will become a full time advanced education student, or
- Your savings/capital will go over £16,000, or
- You are having a significant change in your circumstances, such as moving home or having a baby.

There could be a best time to claim to maximise any Transitional Protection you might be entitled to. Speak to a Benefits Adviser who can look at this with you.

Are you, or could you be affected by the Benefit Cap?

If your total 'welfare' including any Child Benefit, Tax Credits and certain other benefits is more than £423 a week (excluding any help with your childcare), then you could be affected by the Benefit Cap once you move onto UC. You could see a substantial drop in your income. So speak to a Benefits Adviser if you think you could be affected.



Things to Consider

More than one payday a month?

Those whose earnings are paid weekly, fortnightly or four weekly will find that their UC payments will sometimes be lower than normal.

This is because UC looks at your wages received each month and if you are paid weekly, for instance, the assessment will sometimes include five wages.

Self-employed?

You will need to report your income and expenses every month at the end of your monthly Assessment Period.

Some self-employed claimants, after being on UC for 12 months, will be affected by the Minimum Income Floor - where an assumed minimum income can be used.

Paying for childcare?

You can receive help with childcare at 85% of the cost up to a limit. This acts as a refund of the actual childcare received and paid for.

You will need to report childcare paid for each monthly Assessment Period.

Deductions

Various deductions can be taken out of your UC award before you receive your payment to pay off certain debts, such as council tax, energy bills, rent and child maintenance.

Deductions can also be made for old debts, overpayments and DWP social fund loans that you may have forgotten about.

Digitally Based

You are expected to make and manage your claim for UC online. If you are going to struggle to do this speak to a Benefits Adviser who can help you request an offline claim.

Health issues?

You may get more UC if you are found to have a Limited Capability for Work.

On claiming UC make sure you list all your health issues. Ask your Dr for a fit note. Upload this to your UC account and ensure that you are referred for a Work Capability Assessment (WCA).

Many working people can have a Work Capability Assessment. Speak to a Benefits Adviser if you are refused.

Are you a carer?

Many people, including many working people, care for a sick or disabled person - whether this is a partner, child, family member or friend.

You may get more UC if you are caring 35 hours a week or more for someone who gets daily living PIP, mid or high rate care DLA or Attendance Allowance.

If you are unsure that this applies to you then speak to a Benefits Adviser.

IMPORTANT: If the person you are caring for receives Pension Credit, IR-ESA, IS, IB-JSA or HB, get advice before making your claim for UC.

IMPORTANT:

→ If you would like to know more about how Universal Credit will work for you, then get advice.

The Claimant Commitment

A key difference between Tax Credits and Universal Credit is the fact that claimants (both members of a couple) need to agree a Claimant Commitment.

This will outline what you need to do in exchange for receiving Universal Credit.

You will discuss this with your Work Coach after you make your claim for UC at your New Claim Interview.

You will then need to login to your UC account to accept it. Failure to do so can result in a failed UC claim

I'm working do I need a Claimant Commitment?

Yes, all Universal Credit claimants need to agree a Claimant Commitment.

Most working people who claim Universal Credit are not expected to look for work. If you are working, you will only be expected to look for more hours / more work if your current earnings are below a set rate. This is based on the number of hours you can reasonably be expected to work taking account of your circumstances, multiplied by the relevant minimum wage.

I can't work do I need a Claimant Commitment?

Yes, all Universal Credit claimants need to agree a Claimant Commitment.

Once you have made your claim, your personal circumstances will be assessed. This will take account of any health conditions you may have, as well as any childcare and caring responsibilities.

If you can't work due to ill health then outline your health problems on your claim and provide a fit note. The DWP should refer you for a Work Capability Assessment and if it is decided that you have a limited capability for work, you will not be required to look for work, although you may have to attend interviews with your Work Coach and may be given work related tasks to complete.

If you are the main carer of a child under three, or a full time carer of a severely disabled person, then you cannot be required to look for work.

What happens if I don't stick to it?

Failing to keep to your Claimant Commitment could mean losing some of your Universal Credit for a period - this is called a sanction. You can challenge a sanction decision, and there is no time limit to do so - contact a Benefits Adviser for help.

IMPORTANT:

Speak to a Benefits Adviser before you claim to discuss what conditionality could be attached to your claim. They can also advise how you can ensure that this takes account of your particular circumstances.

Transitional Protection

There are different types of Transitional Protection as outlined below.

To qualify for one (or more) of these protections you must make your claim for Universal Credit (UC) after receiving a Migration Notice and before your final deadline.

Transitional Element

The Transitional Element is paid to claimants who –

- receive a Migration Notice
- claim UC by their deadline
- do not form a couple / separate between receiving their Migration Notice and claiming UC
- would be worse off on UC than they were on 'legacy' benefits.

It ensures that these claimants are not made immediately worse off by the move to UC.

The DWP will compare your Tax Credit award with the amount of Universal Credit you would be entitled to based on the same set of circumstances.

If this 'indicative' Universal Credit amount is lower than your Tax Credit award or nil, then the DWP will include a Transitional Element in your first UC award.

This Transitional Element will continue to be included in future assessments. But certain changes can reduce it, or end it altogether.

If you are worried that you may be worse off on Universal Credit, speak to a Benefits Adviser before you claim.

They can work out whether you will be entitled to a Transitional Element,

whether there is a best time for you to claim and provide advice about how it might be reduced or lost altogether.

Transitional Capital Disregard

This allows some people to qualify for Universal Credit who wouldn't otherwise be eligible.

Normally people with over £16,000 in savings/capital are unable to receive Universal Credit.

However, special rules apply to Tax Credit claimants who have received a Migration Notice.

As long as they apply by the given deadline, then they can have any savings/capital above £16,000 ignored for up to 12 months.

This ensures that these claimants don't suddenly lose entitlement to the top-up they have been receiving.

Student Exemption

This allows some full time students to qualify for UC who wouldn't otherwise be eligible.

If they make a successful claim for Universal Credit after receiving their Migration Notice and before the given deadline, then special rules will apply—they will be treated as eligible to claim Universal Credit until their course finishes.

IMPORTANT: Certain changes in your circumstances can result in the immediate loss of these protections. Seek advice if you are unsure.

FAQs

An online calculator says I'll be worse off on Universal Credit / not entitled to any – do I still have to claim?

Yes, if you have received a Migration Notice then your Tax Credits will end even if you don't make a claim for Universal Credit.

But your UC entitlement may be different to what the calculator told you! Where the DWP sends someone a Migration Notice meaning they have no choice but to claim UC, the DWP do not think it would be fair if the change made them immediately worse off. So, they have put in place some Transitional Protections to prevent this from happening in most cases. Online calculators do not always account for these protections.

If you receive a Migration Notice and make a claim for UC by the deadline given, you could be entitled to Transitional Protection. There are different types of protection. The first allows some Tax Credit claimants to claim UC where they would not normally be entitled – those who have capital over £16,000 and some students. The second increases the amount of UC initially awarded so it's closer to the claimant's Tax Credits entitlement – by including a Transitional Element in the calculation.

I've been told that I will be entitled to Transitional Protection, do I need to make a claim for this separately?

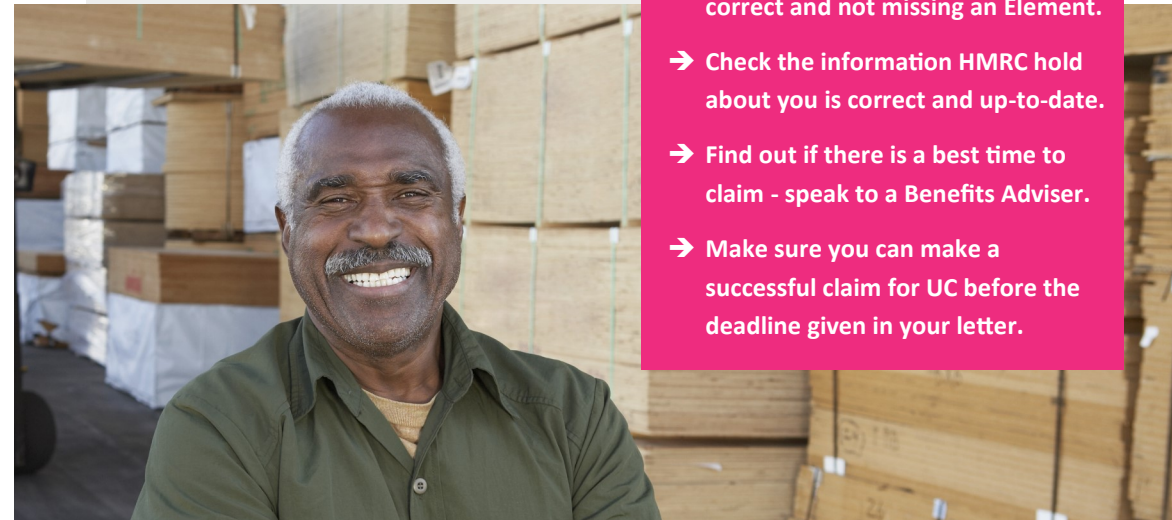
No. If you make a successful claim for Universal Credit by the deadline given in your Migration Notice and are entitled to some protection you will receive this automatically.

I've been told that I will be entitled to Transitional Protection – how long will it last?

Certain changes in circumstances will end the protection. Additionally, the amount of Transitional Element you receive can reduce. Speak to a Benefits Adviser for more information.

BEFORE YOU CLAIM UC:

- ➔ Check that your Tax Credit award is correct and not missing an Element.
- ➔ Check the information HMRC hold about you is correct and up-to-date.
- ➔ Find out if there is a best time to claim - speak to a Benefits Adviser.
- ➔ Make sure you can make a successful claim for UC before the deadline given in your letter.



How Much Universal Credit?

There are 3 steps to working out your UC award:

Step 1: Maximum UC amount

Made up of different allowances and elements depending on your circumstances.

Step 2: Reduced due to income

This is reduced by any assessable income (such as earnings and certain benefits) or capital you have.

Step 3: Benefit Cap

This can be further reduced if you are affected by the Benefit Cap.

This gives your UC award, but other deductions may be made to pay back an advance, certain debts/loans, and benefit overpayments.

Working and paid weekly?

Each month the DWP will work out your award based on the wages you received during that Assessment Period.

If you are paid weekly, then some Assessments Periods will be based on four weekly wages, whilst others will be based on five - reducing your UC award by a higher amount. So you will need to think carefully about budgeting.

IMPORTANT:

- Mistakes are made.
- If you feel your award may be missing an Element speak to a Benefits Adviser.

Maximum UC Amount

Your maximum UC amount can be made up by one or more of the following:

Standard Allowance

This is a standard amount for you (and your partner).

Child Element

Included if you (or your partner) are responsible for a child/young person who lives with you.

Disabled Child Element

If one (or more) of your children receive Disability Living Allowance, or Personal Independence Payment.

Childcare Costs Element

If you (or your partner) pay for registered childcare because you are (both) working (or if a couple, one is working and the other is unable to).

Housing Costs Element

Included if you (or your partner) are responsible to pay rent for the home where you live.

Carer Element

If you (or your partner) spend 35 hours or more caring for a 'severely disabled' adult or child. You do not have to be getting Carers Allowance.

LCWRA Element

If you (or your partner) are assessed as having a limited capability for work related activities following a Work Capability Assessment.

Transitional Element

For some people worse off at the point of claiming UC.

Getting help

DWP Migration Notice Helpline

Telephone: 0800 169 0328 (calls are free from mobiles and landlines)
Open Monday to Friday, 8am to 6pm

Citizen Advice Help to Claim Service

www.citizensadvice.org.uk/about-us/contact-us/contact-us/help-to-claim/

advice local.uk

For details of independent advice organisations across the UK

Money Helper

www.moneyhelper.org.uk
Telephone: 0800 138 7777 (calls are free from mobiles and landlines)

Saxon Weald Money Matters Team

Telephone: 01403 226000
or email: moneymatters@saxonweald.com

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