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Legislation used in Chapter M7

Abbreviation	Full Title
WR (NI) Order 15	The Welfare Reform (Northern Ireland) Order 2015 No. 2006
UC Regs (NI) 16	The Universal Credit Regulations (Northern Ireland) 2016 No. 216
UC (TP) Regs (NI) 16	The Universal Credit (Transitional Provisions) Regulations (Northern Ireland) 2016 No. 226
JS (NI) Order 95	The Jobseekers (Northern Ireland) Order 1995 No. 2705
WR Act (NI) 07	Welfare Reform Act (Northern Ireland) 2007
SS C&B (NI) Act 92	Social Security Contributions and Benefits (Northern Ireland) Act 1992
TC Act 02	Tax Credits Act 2002
SS (NI) Order 98	Social Security (Northern Ireland) Order 1998 No. 1506
UC, PIP, JSA & ESA (C&P) Regs (NI) 16	The Universal Credit, Personal Independence Payment, Jobseeker's Allowance and Employment and Support Allowance (Claims and Payments) Regulations (Northern Ireland) 2016 No. 220
TC (Income Thresholds and Determination of Rates) Regs 02	The Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002 No. 2008
IS (Gen) Regs (NI) 87	The Income Support (General) Regulations (Northern Ireland) 1987 No. 459
JSA Regs (NI) 96	The Jobseeker's Allowance Regulations (Northern Ireland) 1996 No. 198

Abbreviation	Full Title
ESA Regs (NI) 08	The Employment and Support Allowance Regulations (Northern Ireland) 2008 No. 280
ESA (TP) Regs (NI) 10	The Employment and Support Allowance (Transitional Provisions) Regulations (Northern Ireland) 2008 No. 283
HB Regs (NI) 06	The Housing Benefit Regulations (Northern Ireland) 2006 No. 405
HB (SPC) Regs (NI) 06	The Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations (Northern Ireland) 2006 No. 406
TC (Definition and Calculation of Income) Regs 02	The Tax Credits (Definition and Calculation of Income) Regulations 2002 No. 2006
I & A Act 99	Immigration and Asylum Act 1999

Chapter M7: Managed migration and Transitional protection

Introduction

M7001 This Chapter gives guidance on the next phase of the transition from existing benefits to Universal Credit, known as migration or "Move to Universal Credit".

M7002 Guidance is included on

1. the migration process **and**

2. termination of existing awards **and**

3. transitional protection.

M7003 – M7009

Natural migration

M7010 Since 27.9.17, the introduction of Universal Credit in Northern Ireland has been gradually expanded in phases to enable people to claim Universal Credit. See M5001 - M5004 for further information.

M7011 From 5.12.18, all Northern Ireland postcode districts and part-districts have been converted to Universal Credit Full Service Areas. From 25.7.22, all restrictions on claims for Universal Credit have been removed. But see Appendix 2 to Chapter M5 (Claims for Universal Credit) for guidance on when claims for a Tax Credit may be made by claimants who are not notified persons (see M7052).

M7012 Where a Universal Credit claimant was entitled to an existing benefit on the date the Universal Credit claim was made or treated as made, the move from the existing benefit to Universal Credit is known as natural migration. These are claimants who

1. have a change of circumstances which would otherwise have required a claim for another existing benefit to be made **or**

2. form a couple with an existing Universal Credit claimant.

Effects of transition to Universal Credit

M7013 The effects of transition from an existing benefit to Universal Credit through natural migration are set out in Chapter M6 (Effects of transition to Universal Credit). Many of the effects set out in Chapter M6 apply to awards of Universal Credit made under the managed migration process, for example the transfer of sanctions, and whether

the claimant has limited capability for work or limited capability for work and work-related activity. Where the effects of transition to Universal Credit differ from those set out in Chapter M6, this will be set out in the guidance.

M7014 – M7019

Managed migration

M7020 In managed migration cases, claimants entitled to an existing benefit are sent a migration notice requiring them to claim Universal Credit by a specified date known as the deadline day (see M7053). The deadline day must be at least three months after the date the notice is issued and can be extended or the notice cancelled in certain circumstances. See M7063 and M7075 - M7080 for detailed guidance.

M7021 Where a migration notice is issued, and no Universal Credit claim is made on or before the deadline day, all awards of existing benefits will terminate. See M7100 et seq for detailed guidance on termination of awards of existing benefits.

M7022 Where a migration notice is issued, and a Universal Credit claim is made on or before the deadline day, the guidance in M7120 and Chapter M6 (Effects of transition to Universal Credit) about when the existing award ends applies.

M7023 – M7024

Transitional protection

M7025 Where the claim under the managed migration process is a qualifying claim, the claimant may be eligible for transitional protection. Transitional protection is

1. a transitional capital disregard for Tax Credit claimants only **and**

2. a transitional element.

Note: See M7310 for the meaning of qualifying claim.

M7026 The transitional capital disregard applies to Tax Credit claimants who have more than £16,000 capital at the point of migration. See M7330 et seq for further details.

M7027 The transitional element applies to a qualifying claim where the total entitlement to Universal Credit is less than the total entitlement to the existing benefit at the point of migration. See M7400 et seq for further details.

M7028 – M7039

The migration process

Introduction

M7040 The migration process is where claimants who are entitled to awards of an existing benefit are issued a migration notice. This tells the person that awards of existing benefits will terminate, and that they must claim Universal Credit on or before the deadline day. See M7060 for further details about the migration notice.

M7041 – M7049

Definitions

Meaning of existing benefit

M7050 Existing benefit means[1]

1. income-based Jobseeker's Allowance[2]

2. income-related Employment and Support Allowance[3]

3. Income Support[4]

4. Housing Benefit[5]

5. Child Tax Credit[6]

6. Working Tax Credit[6].

1 UC (TP) Regs (NI) 16, reg 2(1); 2 JS (NI) Order 95; 3 WR Act (NI) 07, Part 1; 4 SS C&B (NI) Act 92, sec 123; 5 sec 129; 6 TC Act 02

Meaning of migration notice

M7051 The migration notice is a notice issued to a person who is entitled to an award of an existing benefit[1].

Note: See M7060 et seq for more detailed guidance about the migration notice.

1 UC (TP) Regs (NI) 16, reg 45(1)

Meaning of notified person

M7052 A notified person is a person who is entitled to an award of an existing benefit whom a migration notice is issued[1].

1 UC (TP) Regs (NI) 16, reg 45(6)

Meaning of deadline day

M7053 The deadline day is the day by which a claim for Universal Credit must be made by a person to whom a migration notice is issued[1].

Note: See M7070 for more detailed guidance about the deadline day.

1 UC (TP) Regs (NI) 16, reg 45(1)(b)

Meaning of final deadline

M7054 The final deadline is the day that would be the last day of the first assessment period for an award of Universal Credit which begins on the deadline day[1].

1 UC (TP) Regs (NI) 16, reg 47(4)

M7055 – M7059

The migration notice

Issuing the migration notice

M7060 The formal managed migration process begins when the Department issues a migration notice to a person (the notified person) who is entitled to an award of an existing benefit. The notice[1]

1. informs the person that all awards of existing benefit to which they are entitled will terminate **and**

2. informs the person that they must make a claim for Universal Credit **and**

3. specifies the day by which the Universal Credit claim must be made (the deadline day) **and**

4. may contain such other information as the Department considers appropriate.

1 UC (TP) Regs (NI) 16, reg 45(1) & (2)

M7061 The notice may be issued at any time[1].

1 UC (TP) Regs (NI) 16, reg 45(1)

M7062 Where the person entitled to the existing benefit is, for the purposes of that benefit, a member of a

1. couple **or**

2. polygamous marriage

a migration notice must be issued to the other member or members with the same deadline day[1]. It is important to note that in some legacy benefits, such as Income Support or income-related Employment and Support Allowance, only one member of a couple is the claimant. In polygamous marriages, amounts for partners are included in the claimant's award. However, for Universal Credit both members of a couple must claim Universal Credit. In polygamous marriages, only the earliest parties to the marriage claim as joint claimants, while later partners claim as single claimants.

1 UC (TP) Regs (NI) 16, reg 45(4)

Example

Bakare is in a polygamous marriage with Maryam (his first wife) and Ermina (his second wife). Bakare's award of income-related Employment and Support Allowance includes a prescribed amount for a couple for himself and Maryam, and a further amount for a single claimant for Ermina. All three members of the marriage are issued with migration notices. Bakare and Maryam must both claim Universal Credit as joint claimants, while Ermina must claim as a single claimant.

Cancelling the migration notice

M7063 **[See ADM Memo 4/24]** Where a migration notice has been issued, it may be cancelled[1]

1. where it has been issued in error **or**

2. in any other circumstances where the Department considers it necessary to do so

2.1 in the interests of the person or class of person **or**

2.2 to safeguard the efficient administration of Universal Credit.

Note: The decision maker should always consider whether it would be appropriate to extend the deadline day before cancelling a migration notice - see M7075 - M7080.

1 UC (TP) Regs (NI) 16, reg 45(5)

Example 1

Lloyd is entitled to income-based Jobseeker's Allowance and on 17.4.23 is sent a migration notice requiring him to claim Universal Credit by 17.7.23. On 18.5.23 the Department is notified that on 16.5.23 Lloyd was detained in custody and is serving a custodial sentence of three years. The migration notice is cancelled, as Lloyd would not be entitled to Universal Credit if he made a claim.

Example 2

Marika is entitled to income-based Jobseeker's Allowance and Housing Benefit. She is sent a migration notice which requires her to claim Universal Credit by 13.12.23. She notifies that she started full-time work on 6.11.23. Her earned income exceeds her entitlement to both income-based Jobseeker's Allowance and Housing Benefit, and the awards are terminated. The earned income also means she would not be entitled to Universal Credit. The Department cancels the migration notice, as Marika no longer has an existing award.

M7064 – M7069

The deadline day

M7070 **[See ADM Memo 4/24] [See ADM Memo 1/25]** The deadline day is the day by which a claim for Universal Credit must be made by the notified person[1]. It must be more than three months from the day on which the migration notice is issued[2].

1 UC (TP) Regs (NI) 16, reg 45(1)(b); 2 reg 45(3)

M7071 – M7074

Extension of the deadline day

M7075 The deadline day can be changed to a later day

1. on the Department's own initiative **or**

2. if the notified person asks for a change before the deadline day

where there is a good reason to change the day[1].

1 UC (TP) Regs (NI) 16, reg 46(1)

M7076 There is no limit to the number of times the claimant can ask for the deadline day to be extended, provided that

1. the request is made before the deadline day (including where that day has been changed) **and**

2. there is good reason to change the deadline day.

Example 1

Graham is entitled to income-related Employment and Support Allowance and Housing Benefit, and lives alone. He has severe learning difficulties and has a support worker who helps with official correspondence. Graham is notified on 31.10.23 that his awards of income-related Employment and Support Allowance and Housing Benefit will end, and that he needs to make a claim for Universal Credit by 31.1.24. Graham has no family to help him, and he usually sees his support worker once a fortnight. Graham does not tell his support worker about the migration notice until 24.1.24. The Support worker contacts the Department on the same day to ask for an extension to the deadline day, because Graham will need help from Citizens Advice to make an on-line claim, and the earliest available appointment is on 14.2.24. The deadline day is changed to 26.2.24.

On 13.2.24 the support worker contacts the Department to ask for a further extension. Graham's boiler broke down over the weekend causing extensive damage to the property, and there is no heating or water. Graham has had to be temporarily re-housed while repairs are carried out. He is too upset to attend the Citizens Advice

appointment, which has been re-scheduled for 27.3.24. The deadline day is extended again to 24.5.24

Example 2

Stuart is entitled to income-related Employment and Support Allowance and Housing Benefit. He has moderate learning difficulties and anxiety and is also visually impaired. His support worker has to help him with his post. A migration notice is sent to Stuart which tells him that he must claim Universal Credit by 22.11.23. Stuart's support worker phones on 30.10.23 to say that he is due to move into supported housing within the next few days and he will not be able to deal with changing benefit until he is settled in. The deadline day is extended for a month to 22.12.23.

M7077 If there is good reason to change the deadline, the decision maker should also consider whether it would be more appropriate to cancel the migration notice instead - see M7063

M7078 Where the deadline day is changed as in M7075, the notified person must be informed of the new deadline day[1].

1 UC (TP) Regs (NI) 16, reg 46(2)

M7079 There is no right to a mandatory reconsideration or an appeal about

1. being issued with a migration notice **or**

2. the deadline day (as long as it is at least 3 months after the date of issue) **or**

3. the refusal to

3.1 extend the deadline **or**

3.2 cancel the migration notice.

M7080 This is because none of the actions in M7079 are decisions about a claim for or award of benefit[1]. However, decision makers should note that a decision terminating existing awards carries the right of mandatory reconsideration and appeal in the normal way.

1 SS (NI) Order 98, art 13(1)

Good reason

M7081 Examples of where there might be good reason for extending the deadline day are where the notified person has difficulty completing the Universal Credit claim because they

1. have a physical or mental health condition

2. have learning difficulties

3. are in or about to go into hospital as an in-patient

4. have significant caring responsibilities

5. are homeless

6. have a domestic emergency.

M7082 The list is not exhaustive, and each case should be considered on its merits. For more examples of good reason, see Chapter K2 (Good reason).

M7083 – M7089

Short Notice Migration Notice

M7090 As dates for the full abolition of the remaining legacy benefits may be fewer than three months away from the deadline date of a normal migration notice, there is the power to issue a migration notice which expires in a shorter time period than the usual three months - a Short Term Migration Notice.

M7091 Where a managed migration deadline day would be after the appointed day for the final abolition of that respective benefit, that deadline day may instead be the full appointed day for the full abolition of that benefit. If there is more than one full abolition day for a particular claimant (as they are entitled to more than one of the remaining legacy benefits), the earliest abolition day will be used as the deadline day[1].

1 UC (TP) Regs (NI) 16, reg 45(3C) to (3E)

Note: For information on the abolition dates of the legacy benefits see M5300 - M5429.

M7092 – M7099

Awards

Termination of existing awards

M7100 Where a person is notified that they must claim Universal Credit, all awards of existing benefits to which the notified person is entitled will terminate. The date from which they terminate depends on whether the person makes a claim for Universal Credit before the deadline day.

M7101 – M7019

Claim for Universal Credit is made on or before the deadline day

M7120 Where the notified person makes a claim for Universal Credit, see M6100 - M6127 for detailed guidance about the date on which awards of existing benefit terminate. For a Tax Credit and Housing Benefit in the form of a rate rebate, this is normally the day before the first date of Universal Credit entitlement, or the date the claimant would be entitled to if the satisfied the Universal Credit basic and financial conditions of entitlement[1]. For Housing Benefit in the form of a rent rebate, Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance, the award ends on the last day of the period of two weeks beginning on the first day of Universal Credit entitlement, unless it is a Housing Benefit award in respect of specified or temporary accommodation[2]. These awards do not terminate solely because of the managed migration process[3].

1 WR (NI) Order 15 Commencement Orders: UC (TP) Regs (NI) 16, reg 6(2) & (4); 2 reg 6(2A); 3 reg 6(3)

M7121 – M7124

No claim for Universal Credit made on or before the deadline day

M7125 If the notified person has not made a claim for Universal Credit on or before the deadline day, all awards of any existing benefits to which they are entitled terminate on

1. for Housing Benefit, Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance, the last day of the period of two weeks beginning with the deadline day **or**

2. for a Tax Credit, the day before the deadline day[1].

Note: See M7126 where Housing Benefit is paid for specified or temporary accommodation.

1 UC (TP) Regs (NI) 16, reg 47(1)

M7126 Where Housing Benefit is paid for specified or temporary accommodation, the award of Housing Benefit does not terminate solely because of the managed migration process[1].

1 UC (TP) Regs (NI) 16, reg 47(2)

M7127 – M7199

When does the Universal Credit award begin

Claim for Universal Credit made after the deadline day

M7200 Where

1. any awards of existing benefit are terminated as in M7125 **and**

2. the notified person makes a claim for Universal Credit after the deadline day, but on or before the final deadline (see M7054)

if the notified person is entitled to Universal Credit, the award begins on the deadline day[1]. This applies whether or not the time for claiming Universal Credit is extended[2].

1 UC (TP) Regs (NI) 16, reg 47(3); 2 reg 14 & UC, PIP, JSA & ESA (C&P) Regs (NI) 16, reg 25

Example

Geena is entitled to income-based Jobseeker's Allowance and Housing Benefit for rent. She is sent a migration notice requiring her to claim Universal Credit by 21.11.23. Despite reminders, Geena does not make a claim for Universal Credit by 21.11.23. Geena 's award of income-based Jobseeker's Allowance is terminated on 4.12.23 and she is notified of this on 7.12.23. Her award of Housing Benefit is terminated on 4.12.23, and she is notified of this on 6.12.23.

On 20.12.23 Geena claims Universal Credit. This is on the final deadline, as it is the last day of the first assessment period for an award beginning on 21.11.23. Geena's award of Universal Credit begins on 21.11.23, even though she did not provide any reason for not claiming before.

M7201 – M7229

Qualifying claims

M7230 Where a qualifying claim results in a decision to award Universal Credit, the award normally begins on the date of claim unless

1. it is a qualifying claim made after the deadline day but before the final deadline[1] (see M7200) **or**

2. the time for claiming is extended[2] (see Chapter A2 (Claims) for detailed guidance) **or**

3. the exception in M7231 applies.

Note: See M7310 for the meaning of qualifying claim.

1 UC (TP) Regs (NI) 16, reg 47(3);
2 reg 14 & UC, PIP, JSA & ESA (C&P) Regs (NI) 16, reg 25; UC (TP) Regs (NI) 16, reg 14

M7231 Where an award on a qualifying claim does not begin on a date before the date of claim as in M7230 **1.** or **2.**, the Department may determine that the Universal Credit award begins on a date that is no more than one month after the date of claim[1].

1 UC (TP) Regs (NI) 16, reg 59

M7231 – M7279

Students

M7280 **[See ADM Memo 1/25]** Where a notified person is on a course of full-time education[1] on the day on which the existing award terminates as in M7100 et seq, the condition of entitlement that a Universal Credit claimant is not receiving education[2] does not apply as long as they continue to undertake that course[3]. But see M7281 for when this does not apply.

Note: See Chapter H6: Students and student income for guidance on education including the meaning of full-time course.

1 UC Regs (NI) 16, reg 12(2) & 13; 2 WR (NI) Order 15, art 9(1)(d); 3 UC (TP) Regs (NI) 16, reg 61(1)

Example

Jess is entitled to income-related Employment and Support Allowance, as well as the enhanced rate mobility component of Personal Independence Payment. She is studying full-time for a degree and began her four-year course on 19.9.20. For the purposes of income-related Employment and Support Allowance, she is treated as having limited capability for work, and the Employment and Support Allowance education condition does not apply. On 4.9.23 Jess is sent a migration notice. She claims Universal Credit before the deadline day, and although she remains on the degree course, the Universal Credit education condition does not apply. Jess completes the course in June 2024. The education condition now applies in the normal way should she wish to undertake any further courses while entitled to Universal Credit.

Exception

M7281 The Guidance at M7280 applies in the same way as the transitional element or transitional capital disregard[1]. This means that

1. in any assessment period where, if the claimant had been entitled to it, the transitional element or transitional capital disregard would have ceased to apply[2], the transitional protection for students also ceases to apply **and**

2. if the Universal Credit award ends and a further claim is made while the claimant remains in full-time education, the transitional protection for students only applies if the transitional element or transitional capital disregard could be applied[3].

Note: See M7530 - M7541 for guidance on when transitional protection ends, and M7560 - M7562 on when transitional protection can apply to a subsequent award.

1 UC (TP) Regs (NI) 16, reg 61(2); 2 reg 57; 3 reg 58

M7282 – M7299

Transitional protection

Introduction

M7300 Transitional protection may apply to a qualifying claim[1] (see M7310) and comprises

1. a transitional capital disregard[2] (see M7330 et seq for detailed guidance) **and**

2. a transitional element[3] (see M7400 et seq for detailed guidance).

1 UC (TP) Regs (NI) 16, reg 49; 2 reg 52; 3 reg 53

M7301 The transitional capital disregard enables tax credit claimants with capital over £16,000 to be entitled to Universal Credit for up to 12 assessment periods, by disregarding capital over £16,000.

M7302 The transitional element compares entitlement of existing benefits with that of Universal Credit based on the circumstances on the day before any Universal Credit award begins and provides for an amount to be included in the Universal Credit award where otherwise this would be less than the existing benefit awards.

M7303 – M7309

Definitions

Meaning of qualifying claim

M7310 A qualifying claim is a claim for Universal Credit by

1. a single claimant who is a notified person **or**

2. joint claimants, both of whom are notified persons

where the claim for Universal Credit is made on or before the final deadline[1].

Note: See M7054 for guidance on the final deadline.

1 UC (TP) Regs (NI) 16, reg 49 & 47(4)

Meaning of migration day

M7311 Migration day means the day before the first day of Universal Credit entitlement for an award made in respect of a qualifying claim[1].

1 UC (TP) Regs (NI) 16, reg 50

M7312 – M7319

Deciding a qualifying claim

M7320 Before making a decision on a qualifying claim, the decision maker must first determine whether either or both of a

1. transitional capital disregard is to apply **or**

2. transitional element is to be included

in the calculation of the Universal Credit award[1].

Note: See M7322 for when M7320 **2.** does not apply.

1 UC (TP) Regs (NI) 16, reg 51(1)

M7321 It is important to establish whether any transitional protection applies before deciding the qualifying claim, because

1. the Universal Credit conditions of entitlement might otherwise not be satisfied **or**

2. the amount of Universal Credit to which the claimant might be entitled might be less than any income taken into account.

M7322 The decision maker should not determine whether the transitional element should be included in the award of notified persons where

1. a couple for the purposes of an award of an existing benefit when the migration notice was issued, but are single claimants or members of a different couple when they claim Universal Credit[1] **or**

2. a single claimant for the purposes of an award of an existing benefit when the migration notice was issued, but are joint claimants when they claim Universal Credit[2] **or**

3. members of a polygamous marriage for the purposes of an award of an existing benefit when the migration notice was issued, but are single or joint claimants when they claim Universal Credit[3].

1 UC (TP) Regs (NI) 16, reg 51(2)(a); 2 reg 51(2)(b); 3 reg 51(2)(c)

M7323 – M7329

The transitional capital disregard

Introduction

M7330 A financial condition of entitlement to Universal Credit is that the claimant or joint claimants do not have capital in excess of £16,000[1]. However, no capital limit applies for the purposes of entitlement to a Tax Credit. The transitional capital disregard allows capital over £16,000 to be disregarded for a limited period where the conditions in M7331 are satisfied[2].

Note: See Chapter H1 (Capital) and Chapter H2 (Capital Disregards) for detailed guidance on how capital affects Universal Credit entitlement.

1 WR (NI) Order 15, art 8(1)(b) & (2)(b) and 10(1)(a) & (2)(a); UC Regs (NI) 16, reg 18 and reg 46 - 50 & 72;
2 UC (TP) Regs (NI) 16, reg 52

When does the transitional capital disregard apply

M7331 The transitional capital disregard applies to a Universal Credit claimant who on the migration day is

1. entitled to an award of a Tax Credit **and**

2. has capital which exceeds £16,000[1].

Note: See M7311 for the meaning of migration day.

1 UC (TP) Regs (NI) 16, reg 52(1)

M7332 Where a transitional capital disregard applies, any capital exceeding £16,000 is disregarded for the purposes of

1. determining whether the excess capital condition in M7330 is met (see M7333) **and**

2. calculating the amount of an award of Universal Credit (see M7334)[1].

Note: The disregard also applies when calculating the indicative Universal Credit amount for the purposes of whether a transitional element is to be included (see M7400 et seq for detailed guidance on the transitional element).

1 WR (NI) Order 15, art 10(1)(a) & (2)(a); UC (TP) Regs (NI) 16, reg 52(2)

M7333 Where M7332 **1.** applies, single or joint Universal Credit claimants who have more than £16,000 capital will still satisfy the capital limit of £16,000. But see M7350 - M7352 for when the transitional capital disregard ends.

Note: Where notified persons who are a couple for the purposes of entitlement to a Tax Credit claim Universal Credit as single claimants, the transitional capital disregard can be applied to each Universal Credit single claimant.

M7334 Where M7332 **2.** applies, the normal rules about assumed yield from capital[1] do not apply to the disregarded capital.

1 UC Regs (NI) 16, reg 72(1)

Example

Jared is a lone parent entitled to Child Tax Credits for his 3-year-old daughter. He is not in employment and has no housing costs. He is not entitled to Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance as he has £20,000 capital. Jared claims Universal Credit after being issued with a migration notice. The decision maker determines that the transitional capital disregard applies so that £4,000 capital is disregarded, and Jared satisfies the capital condition of entitlement. The decision maker also determines that Jared has monthly income of £174 from the assumed yield of his capital over £6000 up to and including £16,000.

M7335 – M7349

When does the transitional capital disregard end

M7350 Where

1. a transitional capital disregard has been applied in the calculation of a Universal Credit award **and**

2. the single claimant's or joint claimants' capital in any assessment period reduces to £16,000 or less

the transitional capital disregard does not apply to any subsequent assessment periods[1]. This remains the case even if the capital increased to more than £16,000 before the end of the period in M7351.

1 UC (TP) Regs (NI) 16, reg 52(3)

M7351 A transitional capital disregard applies for no more than 12 assessment periods[1].

1 UC (TP) Regs (NI) 16, reg 52(4)

M7352 The assessment periods do not have to be consecutive. See M7560 et seq for guidance on when transitional protection applies after a break in Universal Credit entitlement.

M7353 After the end of the 12 assessment periods, the normal capital rules apply, so that if capital continues to exceed £16,000, Universal Credit entitlement ends.

Note: See Chapter H1 (Capital) for detailed guidance on the calculation of capital including notional capital.

M7354 The transitional capital disregard also ceases to apply where[1]

1. earned income is reduced below a specified level[2] for more than three consecutive assessment periods **or**

2. joint claimants separate or form a new couple **or**

3. a single claimant becomes a member of a couple.

Note: See M7530 et seq for detailed guidance.

1 UC (TP) Regs (NI) 16, reg 57; 2 UC Regs (NI) 16, reg 97(14)(a)

M7355 – M7399

The transitional element

Introduction

M7400 The transitional element is calculated by comparing the total amount of all existing benefits to which the claimant or joint claimants are entitled (the total legacy amount) with the total amount of Universal Credit to which they would be entitled (the indicative Universal Credit amount) based on the same circumstances as the existing award on migration day. Where the total legacy amount is greater than the Universal Credit indicative amount, the difference is included in the calculation of the Universal Credit award as a transitional element[1]. Where the indicative Universal Credit amount exceeds the total legacy amount, no transitional element is included.

Note: See M7410 et seq for detailed guidance on the total legacy amount, and M7470 et seq for detailed guidance on the Universal Credit indicative amount.

1 UC (TP) Regs (NI) 16, reg 53(1)

M7401 Where a transitional element is included in the calculation of the Universal Credit award, the amount is treated as an additional amount to be included in the maximum amount of Universal Credit before the deduction of income[1]. See E2170 for other amounts included in the maximum amount of Universal Credit.

1 WR (NI) Order 15, art 13(1)(a) & (2); UC (TP) Regs (NI) 16, reg 53(2)

M7402 **[See ADM Memo 1/25]** The transitional element is no longer included in the Universal Credit award when[1]

1. earned income is reduced below a specified level[2] for more than three consecutive assessment periods **or**

2. joint claimants separate or form a new couple **or**

3. a single claimant becomes a member of a couple.

Note: See M7530 et seq for detailed guidance.

1 UC (TP) Regs (NI) 16, reg 57; 2 UC Regs (NI) 16, reg 97(14)(a)

M7403 When calculating amounts as part of the managed migration process, including the total legacy amount and the Universal Credit indicative amount, the Universal Credit rounding rules in M7404 - M7405 apply[1].

Note: This does not apply to the calculation of sanction reductions[2]. See Chapter K9 (Amount of reduction) for guidance on sanction reductions.

1 UC (TP) Regs (NI) 16, reg 62 & UC Regs (NI) 16, reg 7; 2 reg 7(3)

M7404 Where the calculation of an amount results in a fraction of a penny, the fraction is

1. disregarded if it is less than half a penny **or**

2. treated as a penny if otherwise[1].

1 UC Regs (NI) 16, reg 7(1)

M7405 Where the calculation of an amount results in a fraction of a pound, the fraction is rounded down to the nearest pound for the following purposes[1]

1. the benefit cap earnings exception[2] - see Chapter E5 (Benefit cap)

2. the earnings threshold for claimants in the no work-related requirements group[3] - see Chapter J2 (Work related groups)

3. earnings where the work search requirement must not be imposed[4] - see Chapter J3 (Work-related requirements).

1 UC Regs (NI) 16, reg 7(2); 2 reg 82(1)(a); 3 reg 89; 4 reg 97(14)

Claimant previously entitled to Severe Disability Premium

M7406 Where a notified person was previously entitled to an award of Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance which included the Severe Disability Premium, they may satisfy the conditions for an award of the transitional Severe Disability Premium element[1]. However, where an award of Universal Credit made on a qualifying claim includes a transitional element, a transitional Severe Disability Premium element cannot be included[2].

Note: See Chapter M6 (Effects of transition to Universal Credit) for detailed guidance on the transitional Severe Disability Premium element.

1 UC (TP) Regs (NI) 16, Sch 2 para 1 - 4; 2 para 7

M7407 – M7409

Total legacy amount

M7410 The total legacy amount is calculated by adding together the representative monthly rates of all awards of existing benefits the claimant is entitled to on the migration day[1]. Guidance on how to calculate the representative monthly rate for

1. Tax Credits is at M7415 - M7416 **and**

2. Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance is at M7430 - M7432 **and**

3. Housing Benefit is at M7450 - M7452.

Note: See M7311 for the meaning of migration day.

1 UC (TP) Regs (NI) 16, reg 54(1)

M7411 – M7414

Tax credits

M7415 The representative monthly rate of an award of Working Tax Credit or Child Tax Credit is the daily rate (see M7416) of the award on migration day converted to a monthly rate by multiplying by 365 and dividing by 12[1].

1 UC (TP) Regs (NI) 16, reg 54(2)

M7416 The daily rate amount is provided by His Majesty's Revenue and Customs and is calculated under specified legislation on the basis of the information about the claimant's circumstances as held by His Majesty's Revenue and Customs on migration day[1].

1 UC (TP) Regs (NI) 16, reg 54(2) & (3); TC Act 02, s 13(1); TC (Income Thresholds and Determination of Rates) Regs 02

M7417 – M7429

Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance

M7430 The representative monthly rate of an award of Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance is the weekly rate on migration day, calculated on the basis of the information about the claimant's circumstances as held by the Department on that day, and converted to a monthly figure by multiplying by 52 and dividing by 12[1].

1 UC (TP) Regs (NI) 16, reg 54(4); SS C&B (NI) Act 92, Part VII; IS (Gen) Regs (NI) 87; JS (NI) Order 95, Part 1; JSA Regs (NI) 96; WR Act (NI) 07, Part 1; ESA Regs (NI) 08; ESA (TP) Regs (NI) 10

M7431 The amounts of income-based Jobseeker's Allowance or income-related Employment and Support Allowance are calculated before any reduction for a sanction[1].

1 UC (TP) Regs (NI) 16, reg 54(5)

M7432 Where a claimant is entitled to both income-based Jobseeker's Allowance and contribution-based Jobseeker's Allowance, or income-related Employment and Support Allowance and contribution-based Employment and Support Allowance, then the weekly rate is calculated on the basis of the income-based Jobseeker's Allowance or income-related Employment and Support Allowance rules as appropriate[1].

1 UC (TP) Regs (NI) 16, reg 54(6)

M7433 – M7449

Housing Benefit

M7450 The representative monthly rate of an award of Housing Benefit for rent is the weekly rate on migration day, calculated on the basis of the information about the claimant's circumstances as held by the Department on that day, and converted to a monthly

figure by multiplying by 52 and dividing by 12[1]. But see M7451 - M7452 where the claimant has rent free periods.

Note: Where Housing Benefit is in payment for specified or temporary accommodation and does not terminate as part of the migration process, Housing Benefit is not included in the total legacy amount[2].

1 UC (TP) Regs (NI) 16, reg 54(7)(a); SS C&B (NI) Act 92, Part VII; HB Regs (NI) 06; HB (SPC) Regs (NI) 06; 2 UC (TP) Regs (NI) 16, reg 54(10)

M7451 Where the claimant has rent free periods[1], the representative monthly rate is the weekly rate as in M7450 multiplied by the number of weeks in the year for which the claimant is liable to pay rent divided by 12[2].

1 HB Regs (NI) 06, reg 79; HB (SPC) Regs (NI) 06, reg 60 ; 2 UC (TP) Regs (NI) 16, reg 54(7)(b)

M7452 Where M7451 applies, if migration day falls in a rent-free period, the weekly rate is calculated by reference to the amount of rent for the last complete week which was not a rent free period[1].

1 UC (TP) Regs (NI) 16, reg 54(8)

M7453 – M7459

Benefit cap

M7460 Where[1]

1. the notified person is

1.1 not entitled to Housing Benefit for rent **or**

1.2 entitled to an award of Housing Benefit for rent reduced to the minimum amount due to the benefit cap[2] **and**

2. the benefit cap applies[3] when calculating the indicative Universal Credit amount **and**

3. the claimant's total entitlement to welfare benefts[4] on migration day is greater than the relevant amount[5]

the total legacy amount is reduced by the excess over the relevant amount, minus the amount of childcare costs included in the calculation of the indicative Universal Credit amount at M7470 where appropriate[6].

Note: See Chapter E5 (Benefit cap) for detailed guidance, including the meaning of welfare benefits and the relevant amount.

1 UC (TP) Regs (NI) 16, reg 54(11); 2 HB Regs (NI) 06, Part VIIIA; 3 UC Regs (NI) 16, Part 7; 4 WR (NI) Order 15, art 101(7); 5 UC Regs (NI) 16, reg 80A; 6 UC (TP) Regs (NI) 16, reg 55(2)(b)

M7461 For the purposes of M7460 **3.**, the amount of each welfare benefit is the monthly equivalent calculated under the rules which apply to unearned income[1]. See Chapter

H5 (Unearned income) for guidance on calculating unearned income as a monthly amount.

1 UC (TP) Regs (NI) 16, reg 54(12)(a); UC Regs (NI) 16, reg 73

M7462 – M7469

Indicative Universal Credit amount

M7470 The indicative Universal Credit amount is the amount the claimant would be entitled to if an award of Universal Credit had been made

1. on the basis of the claimant's circumstances on migration day **and**

2. applying the assumptions in M7471 - M7474[1].

Note: See also M7475 - M7483 for other factors to consider when calculating the indicative Universal Credit amount.

1 UC (TP) Regs (NI) 16, reg 55(1) & (2); WR (NI) Order 15, art 13

Assumptions

M7471 If the claimant is entitled to Child Tax Credit, they are responsible for any child or qualifying young person for whom the individual element of Child Tax Credit is payable[1].

1 UC (TP) Regs (NI) 16, reg 55(2)(a)

M7472 If the claimant is entitled to Working Tax Credit including the childcare element, the indicative Universal Credit amount includes the childcare costs element[1].

1 UC (TP) Regs (NI) 16, reg 55(2)(b)

M7473 For the purposes of calculating the amount of the childcare costs element in M7472, it is assumed that the amount of childcare costs is equal to the relevant weekly childcare charges included in the daily rate of Tax Credit in M7415, converted to a monthly amount by multiplying by 52 and dividing by 12[1].

1 UC (TP) Regs (NI) 16, reg 55(2)(b)

M7474 The amount of the claimant's earned income is[1]

1. if they are entitled to a Tax Credit, the annual amount of any employment or trading income[2] used to calculate the representative monthly rate of the Tax Credit in M7415, converted to a monthly amount by dividing by 12 and deducting amounts for income tax and National Insurance contributions as considered appropriate **or**

2. if **1.** does not apply and they are entitled to Income Support, income-Based Jobseeker's Allowance or income-related Employment and Support Allowance,

the amount of any earnings used to calculate the representative monthly rate of those benefits in M7430 - M7432, converted to a monthly amount by multiplying by 52 and dividing by 12 **or**

3. if **1.** or **2.** do not apply and they are entitled to Housing Benefit, the amount of any earnings used to calculate the representative monthly rate of Housing Benefit in M7450 - M7452, converted to a monthly amount by multiplying by 52 and dividing by 12.

Note: Where M7474. **2.** or **3.** applies, the amount of earnings used is the amount of earnings before any sums are disregarded.

1 UC (TP) Regs (NI) 16, reg 55(2)(c); 2 TC (Definition and Calculation of Income) Regs 02

Financial conditions

M7475 If the claimant or joint claimants would not satisfy the income financial condition of entitlement[1] (see Chapter E1 (Introduction and entitlement)), they are treated for the purposes of calculating the indicative Universal Credit amount as if they were entitled to an award of a nil amount of Universal Credit[2].

1 WR (NI) Order 15, art 10(1)(b) & (2)(b); 2 UC (TP) Regs (NI) 16, reg 55(3)

M7476 Where the transitional capital disregard applies[1] (see M7331) the claimant is treated as satisfying the capital financial condition entitlement[2] (see Chapter E1 (Introduction and entitlement)).

1 UC (TP) Regs (NI) 16, reg 52; 2 reg 55(4); WR (NI) Order 15, art 10(1)(a) & (2)(a)

M7477 – M7479

Other factors

M7480 The indicative Universal Credit amount is calculated after any reduction due to the benefit cap[1]. But see M7481 for an exception.

Note: See Chapter E5 (Benefit cap) for detailed guidance.

1 UC (TP) Regs (NI) 16, reg 55(5); UC Regs (NI) 16, Part 7

M7481 The reduction for the benefit cap does not apply where the claimant's earned income on the migration day as calculated in M7474 is equal to or more than the benefit cap earnings exception[1].

1 UC (TP) Regs (NI) 16, reg 55(2)(c) & (6); UC Regs (NI) 16, reg 82(1)(a)

M7482 The Indicative Universal Credit amount is calculated before any reduction for a sanction[1]. But see Chapter M6 (Effect of transition to Universal Credit) for guidance

on reduction of Universal Credit where the existing benefit is subject to a reduction for a sanction[2].

1 UC (TP) Regs (NI) 16, reg 55(5); 2 reg 31 & 33

M7483 The calculation of the indicative Universal Credit amount is based on the information held on the migration day used to calculate the total legacy amount. However, further information and evidence can be requested where necessary[1].

Note 1: See Chapter A2 (Claims) for guidance on gathering evidence and information in connection with a claim.

Note 2: See also M7520 et seq for guidance on revision or supersession of Universal Credit awards where the information held on migration day is found to be incorrect.

1 UC (TP) Regs (NI) 16, reg 55(7)

M7484 – M7499

Amount of transitional element

M7500 The amount of the transitional element included in the first assessment period of the Universal Credit award is the initial amount as in M7502[1]. In subsequent assessment periods, the transitional element is reduced by relevant increases[2]. See M7502 et seq for further details.

Note: Decision makers are reminded that the rules on reducing the transitional element also apply to the transitional Severe Disability Premium amount and the transitional Severe Disability Premium element. See M6762 and paragraph 21 of Appendix 1 to Chapter M6 (Effects of transition to Universal Credit) for further details.

1 UC (TP) Regs (NI) 16, reg 56(2)(a); 2 reg 56(2)(b) & (c)

Meaning of relevant increases

M7501 **[See ADM Memo 1/25] [See ADM Memo 8/26]** A relevant increase is an increase in any of the amounts included in the Universal Credit maximum amount[1], including where an amount is included for the first time, apart from the childcare costs element[2]. But see M7502 where the claimant is awarded the limited capability for work and work-related activity element.

1 WR (NI) Order 15, art 14 - 17; 2 UC (TP) Regs (NI) 16, reg 56(4)

M7502 Where

1. the claimant's Universal Credit award includes the limited capability for work element **and**

2. the limited capability for work element is replaced by the limited capability for work and work-related activity element

the relevant increase is the difference between the amounts of the limited capability for work and limited capability for work and work-related activity elements[1].

Note: The limited capability for work element is not included in awards of Universal Credit unless savings apply. See the Appendix to Chapter F5 (The limited capability for work and work-related activity element) for further details.

1 UC (TP) Regs (NI) 16, reg 56(5)

Example 1

Stacey is 19 and migrated from Income Support and Child Tax Credit to Universal Credit which she receives for herself and her child. As part of her Universal Credit award Stacy receives a transitional element of £65 a month. Her Universal Credit award is therefore:

£251.77 - Standard Allowance

£277.08 - Child Element (1st child born before 6.4.17)

£65 - transitional element

Total: £593.85 a month

With the help of her work coach, Stacey finds work and therefore applies for help with childcare costs. Based on her application she is awarded £500 a month. Although she is awarded this new amount for her childcare costs this does not erode the £65 transitional element. Her total Universal Credit award is therefore:

£251.77 - standard allowance

£277.08 - child element (1st child born before 6.4.17)

£500 - childcare costs amount

£65 - transitional element

Total: £1,093.85 a month.

Example 2

Following migration from income-related Employment and Support Allowance and Child Tax Credits, Aaron is entitled to Universal Credit including a transitional element for himself and his son. His Universal Credit award is therefore:

£317.82 - standard allowance

£277.08 - child clement (1st child born before 6.4.17)

£260 - transitional element

Total: £854.90

Later, Aaron is awarded custody of his daughter and so is awarded the child element for the 2nd child. The transitional element is reduced by the increase in the amount of the child element:

£317.82 - standard allowance

£508.75 - child element (1st child born before 6.4.17 and 2nd child)

£28.33 - transitional protection

Total: £854.90

Initial amount

M7503 The initial amount of the transitional element is[1]

1. if the indicative amount of Universal Credit is more than nil, the amount by which the total legacy amount exceeds the indicative Universal Credit amount **or**

2. if the indicative amount of Universal Credit is nil, the total legacy amount and any amount by which income exceeds the Universal Credit maximum amount[2].

Note: In paragraph **2.**, the excess income is calculated after applying the earnings taper and work allowance rules: see Chapter E2 (Awards and maximum amount of Universal Credit) for detailed guidance.

1 UC (TP) Regs (NI) 16, reg 56(1); 2 WR (NI) Order 15, art 13(3)

M7504 As the transitional element is based on the claimant's circumstances on migration day, the day before the Universal Credit award begins (see M7311), the initial amount is not changed during the first assessment period even if the claimant's circumstances change during that period[1].

1 UC (TP) Regs (NI) 16, reg 56(2)(a)

Example

Pete is entitled to Personal Independence Payment with the enhanced rate daily living component, income-related Employment and Support Allowance of £194.30 a week (£73.10 + Severe Disability Premium £65.85 + Enhanced Disability Premium £16.80 + support component £38.55) and Housing Benefit of £225 a week. His total legacy amount is £841.97 (£194.30 x 52 ÷ 12) + £975 (£225 x 52 ÷ 12) = £1816.97. His indicative Universal Credit amount is £1629.02 (£317.82 + £975 housing costs element + £336.20 limited capability for work and work-related activity element). The benefit cap does not apply as he is exempt. The decision maker determines that Pete is entitled to a transitional element of £187.95 (£1816.97 - £1629.02), and that amount is included in the first assessment period of his Universal Credit award.

During that period, Pete's housing costs increase when he moves house to be nearer family. Pete's Universal Credit award increases from the beginning of the first assessment period to include a higher rate of housing costs element, but he remains entitled to the initial amount of the transitional element for that period.

M7505 – M7509

Subsequent amounts

M7510 In the second assessment period, the initial amount is reduced by the total of any relevant increases in that period[1].

Note: This does not include any relevant increases in the initial assessment period.

1 UC (TP) Regs (NI) 16, reg 56(2)(b)

M7511 For the third and subsequent assessment periods, the amount of the transitional element is the amount included in the previous assessment period reduced by the total of any relevant increases[1].

1 UC (TP) Regs (NI) 16, reg 56(2)(c)

M7512 If the amount of the transitional element is reduced to nil in any assessment period, the transitional element does not apply in the calculation of the Universal Credit award for any subsequent period[1].

1 UC (TP) Regs (NI) 16, reg 56(3)

M7513 – M7519

Decision making and appeals

M7520 The calculation of the total legacy amount and the Universal Credit indicative amount for the purposes of whether a transitional element is included in the Universal Credit award is based on the information held on migration day - see M7410 et seq and M7470 et seq[1].

1 UC (TP) Regs (NI) 16, reg 54(1) & 55(1)

M7521 However, a decision made on a claim for, or award of Universal Credit may be revised or superseded where[1]

1. in the opinion of the Department the information held on migration day was inaccurate or incomplete because of

1.1 misrepresentation by the claimant **or**

1.2 a failure by the claimant to report information they were required to report, where the failure to report the information was to the claimant's advantage **or**

1.3 an official error (see M7522) **or**

2. a decision has been made on or after migration day on

2.1 an application made before migration day for revision or supersession of a decision on an award of an existing benefit **or**

2.2 an appeal in relation to such an application.

1 UC (TP) Regs (NI) 16, reg 63(1)

M7522 In M7521 **1.3**, official error means[1] an error that was

1. made by

1.1 an officer of **or**

1.2 an employee of a body acting on behalf of

the Department, His Majesty's Revenue and Customs or the Northern Ireland Housing Executive **and**

2. not caused by or materially contributed to by any person outside the Department, His Majesty's Revenue and Customs, the Northern Ireland Housing Executive or any body acting on their behalf

but excludes any error of law shown to be such by a subsequent decision by a Commissioner or a court[2].

Note: See Chapter A3 (Revision) and A4 (Supersession) for detailed guidance on official error and error of law.

1 UC (TP) Regs (NI) 16, reg 63(2), 2 SS (NI) Order 98, art 27(7)

M7523 – M7529

When does transitional protection end

M7530 **[See ADM Memo 4/24]** Any transitional protection, either the transitional capital disregard or the transitional element or both, does not apply in any assessment period where the circumstances relating to earnings or separation or formation of couples in M7531 et seq apply, or in any further assessment periods during that award[1].

1 UC (TP) Regs (NI) 16, reg 57(1)

Earnings below the administrative earnings threshold

M7531 The administrative earnings thresholds as defined in M7532 - M7533 below are known as the administrative earnings threshold levels. For detailed guidance on the administrative earnings threshold levels see Chapter J3 (Work-related requirements).

Meaning of single administrative threshold

M7532 For a single claimant, the single administrative threshold is monthly earnings from employment that are equal to, or more than, 18 hours per week at the National Minimum Wage[1] multiplied by 52 and divided by 12.

1 UC (TP) Regs (NI) 16, reg 57(2)(a), UC Regs (NI) 16, reg 97(14)(a)

Meaning of couple administrative threshold

M7533 For joint claimants, the couple administrative threshold is monthly earnings from employment that are equal to, or more than, 29 hours per week at the National Minimum Wage[1] multiplied by 52 and divided by 12.

1 UC (TP) Regs (NI) 16, reg 57(2)(b), UC Regs (NI) 16, reg 97(14)(b)

When transitional protection ends

M7534 Transitional protection ends where[1]

1. in the first assessment period of the award

1.1 the claimant's earned income was the same as or more than the single administrative threshold **or**

1.2 the joint claimant's combined earned income was the same as or more than the couple administrative threshold **and**

2. it is the assessment period after the third consecutive assessment period in which

2.1 the claimant's earned income is less than the single administrative threshold **or**

2.2 the joint claimant's combined earned income is less than the couple administrative threshold.

Note: See M7535 for the calculation of self-employed earnings. See M7536 for guidance on changes to the amount of the administrative earnings threshold.

1 UC (TP) Regs (NI) 16, reg 57(2)

M7535 For the purposes of whether a claimant's earned income or combined earned income is less than the single or couple administrative threshold, the claimant is treated as having earned income that is equal to or more than the appropriate threshold in any assessment period in which the minimum income floor applies or would apply if the claimant were not in the start-up period[1].

Note: See Chapter H4 (Earned income: self-employed earnings) for detailed guidance on the minimum income floor and the start-up period.

1 UC (TP) Regs (NI) 16, reg 57(3); UC Regs (NI) 16, reg 63

M7536 References to the single and couple administrative thresholds, are to the amounts of administrative earnings threshold which applied on the first day of the Universal Credit award[1]. This means that claimants will not lose transitional protection as a result of any changes to the administrative earnings threshold level.

1 UC (TP) Regs (NI) 16, reg 57(2) & 57(3)(a)

Example

Greg is entitled to income-related Employment and Support Allowance including the Severe Disability Premium. He works for 13 hours per week at the national minimum wage, which equates to £535 monthly. On 3.10.23 he claims Universal Credit as part of the managed migration process. His award incudes a transitional element as his award of Universal Credit would otherwise have been lower than his previous entitlement to income-related Employment and Support Allowance. The administrative earnings threshold level is £494 per calendar month. From 31.1.24 the administrative earnings threshold increases to £617 monthly, which for the purposes of work search and work availability requirements affects Greg from the assessment period beginning on 3.2.24. Although Greg's earnings are now less than the current administrative earnings threshold, the administrative earnings threshold rate on the first assessment period continues to apply, and the transitional element is not affected.

M7537– M7539

Formation or separation of a couple

M7540 Transitional protection ends in any assessment period in which[1]

1. joint claimants separate and become single claimants, or form a different couple as joint claimants **or**

2. a single claimant becomes a member of a couple (but see M7451 for an exception).

1 UC (TP) Regs (NI) 16, reg 57(4)

Example

Fran is a lone parent with one child. She works part-time, and is entitled to Working Tax Credit and Child Tax Credit for herself and her son Dom. She has capital of £28,000. Fran is sent a migration notice and claims Universal Credit. The capital disregard applies so that her Universal Credit award is calculated on the basis that she has £16,000 capital.

After seven assessment periods, Fran moves in with Tony, who is a Universal Credit single claimant. The transitional capital disregard ceases to apply from the first day of the assessment period in which Fran and Tony formed a couple, and they are no longer entitled to Universal Credit as their joint capital exceeds the £16,000 limit.

Three months later, Fran and Tony separate. They both claim Universal Credit as single claimants. Fran's capital is still above £16,000, and as the transitional capital disregard no longer applies, she cannot be entitled to Universal Credit.

M7541 Transitional protection does not end where a single claimant becomes a member of a couple, but may claim as a single claimant because their partner[1]

1. is aged under 18 and does not satisfy any of the conditions for claiming under that age[2] **or**

2. does not meet the basic condition of being in Northern Ireland[3] **or**

3. is a prisoner[4] **or**

4. is a member of and is fully maintained by a religious order[4] **or**

5. is serving a sentence of imprisonment and detained in hospital[4] **or**

6. is a person subject to immigration contriol[5].

Note: See Chapter E2 (Benefit unit, awards and maximum amounts) for guidance on where a claim as a single claimant may be made by a member of a couple.

1 UC (TP) Regs (NI) 16, reg 57(4); UC Regs (NI) 16, reg 3(2); 2 WR (NI) Order 15, art 9(1)(a); UC Regs (NI) 16, reg 8; 3 WR (NI) Order 15, art 9(1)(c); 4 UC Regs (NI) 16, reg 19; 5 I & A Act 99, s 115

M7542 – M7559

Can transitional protection apply to a further award of Universal Credit

M7560 Where

1. a transitional capital disregard applies to, or a transitional element is included in, an award of Universal Credit, and that award ends **or**

2. it is determined that a transitional capital disregard is to apply, or a transitional element is to be included in the calculation of the award of Universal Credit (see M7320), but the qualifying claim is disallowed

transitional protection cannot apply to any subsequent award of Universal Credit unless the exception in M7561 applies[1].

1 UC (TP) Regs (NI) 16, reg 58(1)

M7561 The exception to M7560 is where[1]

1. the Universal Credit award ended, or the qualifying claim was disallowed because the claimant or joint claimants did not meet the income financial condition **and**

2. the claimant is awarded Universal Credit again within the period of three months beginning with

2.1 where an award of Universal Credit ended, the last day of the month that would have been the final assessment period if the award had not ended **or**

2.2 where the qualifying claim was disallowed, the day that would have been the last day of the first assessment period had the claimant been entitled to an award of Universal Credit.

1 UC (TP) Regs (NI) 16, reg 58(2)

Example

Leon is awarded Universal Credit including a transitional element on migration from Working Tax Credit, and his assessment period ends on the 4th of every month. On 29.11.23 he receives earnings which end entitlement to Universal Credit. The award ends on 4.11.23. If Leon's earnings reduce and he claims and is awarded Universal Credit again within four assessment periods of 4.11.23, Leon remains entitled to the transitional element (subject to the normal erosion and termination rules in M7510 - M7512 and M7530 et seq).

M7562 Where an award of Universal Credit is made as in M7561 **2.1** the new Universal Credit award is treated as a continuation of the previous award for the purposes of[1]

1. whether the transitional capital disregard applies, including the period for which it can apply[2] (see M7351) **and**
2. whether the transitional element is included[3] (see M7400 et seq) **and**
3. when transitional protection ends[4] (see M7530 - M7541).

1 UC (TP) Regs (NI) 16, reg 58(3); 2 reg 52; 3 reg 56; 4 reg 57

M7563 – M7999

The content of the examples in this document (including use of imagery) is for illustrative purposes only