

## Summary of Transitional Protection Policy and Transitional Element Addition

Transitional Protection is the policy which is applied to protect against a lower entitlement in the overall amount of benefit for claimants who are moved from existing legacy benefits to Universal Credit (UC). Transitional Protection policy does not cover other financial support e.g. free school meals or prescriptions, see <https://www.gov.uk/universal-credit/other-financial-support> for further guidance.

The Transitional Element can be included, as a temporary additional element in a claimant's UC entitlement. It will be awarded to eligible claimants who have moved to UC as part of the Managed Migration process and is based on that claimants individual circumstances (including earnings) whose entitlement to UC would be lower than their final entitlement to their combined legacy benefits<sup>(1)</sup>.

If the claimants earnings received in the first assessment period are greater than the level of earnings used to assess their legacy benefits on the last day of that award, then this will reduce the level of UC entitlement, but it will not reduce the level of the Transitional Element originally awarded.

Transitional Protection also protects some legacy claimants who, without a Managed Migration notification, would not be entitled to claim UC.

These are;

- Existing legacy benefit claimants who are in full-time advanced education on the last day of their legacy claim who would do not meet the UC entitlement condition; At the end of that course this protection will no longer apply.
- Tax credit claimants who have more than £16,000 of capital will have any capital above that level disregarded in their assessment for UC for the first 12 assessment periods where there is an underlying UC entitlement in their claim. After 12 assessment periods normal eligibility capital rules will apply.

For claimants to be considered for Transitional Protection, they must:

- Make a claim to UC on or before the 'deadline date' in their Managed Migration Notice. In which case their legacy benefits will terminate when UC starts
- Make a claim to UC within one month of their given deadline date. In which case UC will automatically be backdated to the deadline date and Transitional Protection can then be considered.

There is no time limit on the Transitional Element. It will remain until there is a change to the UC claim or benefit uprating is applied, which may reduce the amount of Transitional Element. These will be changes that lead to an increase in a Universal Credit element already in award or the award of a new Universal Credit element. Any changes in the Childcare element will have no impact on the Transitional Element value.

Circumstances which will reduce/erode Transitional Element are:

- The addition of a new UC element; i.e. Child Element
- A change in circumstances which increases a UC element; i.e. Housing costs
- Benefit Up-rating

An example calculation\*: On the last day of a claimant's legacy benefit entitlement the total amount of their legacy benefits is £1,000. On making a claim to UC, their indicative entitlement, based on the same individual circumstances is £800. As the claimant received a Managed Migration Notice Letter Transitional Protection will apply. An award of Transitional Element of £200 will be applied, matching the claimant's UC entitlement to their pre-existing legacy entitlement of £1,000. The Transitional Element will then remain at £200, until a change is made to the claim or benefit up-rating is applied. If an element of the UC claim is increased due to a change in circumstances or benefit up-rating the Transitional Element will reduce e.g. if the UC standard allowance increases by £100, the Transitional Element applied will be reduced by £100 as the overall award will have increased to £1,100.

\*The example provided are fictional figures and used to simplify how the Transitional Element is calculated

Circumstances which will end Transitional Protection are:

- Couples forming
- Couples separating
- A sustained fall in earnings which is defined as a claimant having earnings over the Administrative Earnings Threshold in their first assessment period on UC and then their earnings fall below the Administrative Earnings Threshold from that in place in their first assessment period for 3 consecutive assessment periods
- Entitlement to UC ending

However, if a claimant returns to UC within 3 months of the end of the assessment period in which their UC entitlement ended due to earnings, (which is the same as 4 months from the end of the last assessment period for which UC was awarded) Transitional Protection will be reinstated.