

What triggers a claim for Universal Credit in a 'full service' area?

Universal Credit (UC) is being rolled out in different ways and areas across the country. This document relates to those who live in an area where 'full service' UC has been introduced (e.g. in the area covered by Newcastle City Jobcentre Plus office). This means that someone living in a 'full service' area who makes a new claim for any of the six 'legacy benefits' that UC is replacing will have to claim UC instead and that the full UC rules and systems will apply to them.

But what about those who are already receiving one or more of those 'legacy benefits' and living in a 'full service' area? If they have a change in circumstances that would involve a claim for another 'legacy benefit' they will be told they have to claim 'full service' UC and their 'legacy benefit(s)' will stop. The Department for Work and Pensions (DWP) call this 'natural migration.'

What are the changes in circumstances that mean a claim for UC (or not)?

This table lists some examples. It is followed by further explanation, abbreviations and more details about [Universal Credit](#).

| <i>Change of circumstance(s)</i> | <i>What could happen before UC?</i> | <i>What happens in a 'full service' UC area?</i> |
|---|-------------------------------------|---|
| Change in employment status | | |
| On IB-JSA / IS / IR-ESA and start or increase working hours to satisfy WTC amount (to 16, 24 or 30 hours) | Claim WTC ⁱ | Claim UC |
| On 'legacy benefit', e.g. IB-JSA and HB, and start work but not enough hours to satisfy WTC | 'Legacy benefits' adjusted | Choice – remain on adjusted 'legacy benefit' or claim UC if better off. See 'Swapping from 'legacy benefit' to claim UC' below |
| On WTC and hours fall below 16 | Claim IS / IB-JSA | Claim UC |
| On IR-ESA doing permitted work and work becomes permanent, hours increase over 16 or other reason for not satisfying permitted work rules | Potential WTC claim | Claim UC |

| <i>Change of circumstance(s)</i> | <i>What could happen before UC?</i> | <i>What happens in a 'full service' UC area?</i> |
|---|---|---|
| On CTC only and start work to satisfy WTC rules | Claim WTC | Remain on CTC and claim WTC |
| On WTC and increase hours | Stay on WTC | See choice above |
| On WTC and becomes sick | Claim IR-ESA | Claim UC |
| Change in family circumstances | | |
| On IS / IR-ESA / IB-JSA / HB and household become responsible for a first child | Claim CTC | Claim UC |
| On WTC only and household become responsible for a first child | Remain on TC and claim CTC | See choice above |
| Lone parent on IS and youngest child turns 5 | Unless another reason to stay on IS, claim IB-JSA | Unless another reason for staying on IS, claim UC |
| On IB-JSA and baby due within 11 weeks | Claim IS | Claim UC |
| Partner leaving / joining household. If it means a new claim to a 'legacy benefit', claim UC. For example: | | |
| Couple on TC separate | Make separate claims for 'legacy benefits' | Both claim UC |
| Lone parent on IS becomes a couple | Claim e.g. IB-JSA or IR-ESA | Claim UC |
| Couple on IB-JSA with child under 5 becomes a lone parent | Claim IS / IB-JSA | Both claim UC |
| Single person under pension age on 'legacy benefit(s)'. Becomes a couple with person of Pension Credit qualifying age | Claim Pension Credit until UC fully rolled out across the country ⁱⁱ | Claim UC when fully rolled out |
| Carers | | |
| Satisfies Carer's Allowance rules which means a new 'legacy benefit' claim | Claim the relevant benefit 'legacy benefit(s)' e.g. IS | Claim UC |
| On IS and stops being a carer | Unless another reason to stay on IS, claim IB-JSA | Claim UC |

| <i>Change of circumstance(s)</i> | <i>What could happen before UC?</i> | <i>What happens in a 'full service' UC area?</i> |
|---|--|---|
| Tax Credits (see also Change in employment status above) | | |
| TC renewal | Remain on TC | See choice above |
| On TC and change does not lead to a claim for a new 'legacy benefit' e.g. less income | Remain on TC | See choice above |
| Sickness (see also Change in employment status above) | | |
| On IR-ESA and fails Work Capability Assessment (WCA) ⁱⁱⁱ | Claim IB-JSA | Claim UC (if claimant challenges WCA and wins, remains on UC) |
| On IB-JSA and becomes sick | Claim IR-ESA | Claim UC |
| Moving area / taking up a tenancy | | |
| HB claimant moves into 'full service' area (different Local Authority) | New claim for HB | Claim UC |
| HB claimant moves into 'full service' area (same Local Authority) | Remain on HB | See choice above |
| On TC / IS / IR-ESA / IB-JSA and takes up a tenancy | Claim HB | Claim UC |
| Other | | |
| On IB-JSA and attends court / jury service | Claim IS | Claim UC |
| On IB-JSA and remanded in custody | Claim IS | Claim UC ^{iv} |
| On IS and ceases full time education | Claim IB-JSA | Claim UC |
| Income and /or capital goes over different threshold | Claim 'legacy benefit' (depending on income / capital rules) | Claim UC (depending on income / capital rules) |
| On contribution based JSA or ESA and believes entitled to IB-JSA or IR-ESA | Claims IB-JSA or IR-ESA | Claim UC (treated as a new claim) |

Swapping from ‘legacy benefit’ to claim UC – the choice is yours.

It is possible for those on ‘legacy benefits’ in a ‘full service’ area to choose to claim UC without needing a change in circumstances. If so, UC ‘full service’ will contact benefit centres, local authorities and / or HM Revenue & Customs to stop the existing claim(s). Note the risk of gaps and delays in payment due to UC monthly payments in arrears and assessment periods.

Sources and further information

All these examples are from various sources such as the DWP and [CPAG](#) and are verified by the DWP. More information can be found on the DWP web pages [Universal Credit](#) and [Universal Credit guides](#), from [CPAG](#) and [Disability Rights UK](#) and on the [Newcastle City Council Universal Credit web page](#). The Revenue benefits webpage on [Universal credit: Digital \(full\) service](#) provides useful information on this area including moves between ‘live service’ and ‘full service’ areas, which is not covered in this document.

Behind the examples, these three ‘rules’ apply:

- Someone in ‘full service’ area cannot claim a ‘legacy benefit’^v
- For ‘live’ and ‘full service’ areas, someone entitled to UC cannot also be entitled to a ‘legacy benefit’ should s/he consequently claim and get UC^{vi}
- For ‘live’ and ‘full service’ areas, a claim for UC or a new claim for JSA or ESA can trigger abolition of IR-ESA and IB-JSA^{vii}

So, current claimants who have a change in circumstances that would merit a new claim for a ‘legacy benefit’ prompts a claim for UC instead. For example, a current claimant of IB-JSA and HB who has a child and attempts to claim CTC will be unable to do so if s/he lives in a UC full service area. Should s/he then claim and get UC, her/his IB- JSA and HB will also end.

What if the claimant’s UC is lower than their previous ‘legacy benefit’?

Where a claimant on a ‘legacy benefit’ has to claim UC as described in this document, they will not be protected against any possible drop down to a lower UC amount. An example of a drop could mean the loss of £61 or £41 per week for a severely disabled person who is single, lives alone and receives the daily living component of PIP. However, there are many other examples and UC may be higher in other circumstances.

Transitional protection does not apply to these ‘natural migrations’. Transitional protection will only apply for ‘managed migration’ cases when the DWP transfer the remaining people on ‘legacy benefits’ across to UC after the roll out is completed sometime in 2018 or later.

This document

Should be useful for benefit advisers, non-advisers and the public. It has been produced by Newcastle City Council Active Inclusion Unit **June 2016**. It is as accurate as possible and is subject to change. If you have any comments, email activeinclusion@newcastle.gov.uk

Abbreviations

| | | | |
|--------|----------------------------------|-----|----------------------------|
| CTC | Child Tax Credit | PC | Pension Credit |
| ESA | Employment and Support Allowance | SSP | Statutory Sick Pay |
| HB | Housing Benefit | TC | Tax Credits |
| IB-JSA | Income based JSA | UC | Universal Credit |
| IS | Income Support | WCA | Work Capability Assessment |
| IR-ESA | Income related ESA | WTC | Working Tax Credit |
| JSA | Jobseekers Allowance | | |

Endnotes

ⁱ The principle is that if on a 'legacy benefit' and it does not mean a claim for another 'legacy benefit', then they remain on the 'legacy benefit'.

ⁱⁱ Pending legislation (specifically a Commencement Order) to make this change.

ⁱⁱⁱ Meaning 'not sick' / fails the 'limited capability for work test'.

^{iv} There is a potential problem with claiming UC here as Regulation 19 of the [UC Regulations 2013](#) basically says no UC arises for a prisoner unless (amongst other things) they were entitled to UC immediately before becoming a prisoner (which included housing costs). Clearly, they would not have been so entitled. On the face of it, a classic 'catch 22'. We will update this when we receive clarification.

^v The rules are contained in each Commencement Order introducing 'full service' areas. See, for example, Article 7 (read with Article 4) of S.I. 2016 No.33.

^{vi} Regulation 5 Universal Credit (Transitional Provisions) Regulations 2014 No.1 230: IB-JSA and IR-ESA are abolished for affected claimants under separate provisions at Article 4 of The Welfare Reform Act 2012 (Commencement No.9 and Transitional and Transitory Provisions and Commencement No.8 and Savings and Transitional Provisions (Amendment)) Order 2013 No.983 ('the No.9 Order'); and similar provisions in individual Commencement Orders introducing 'full service' areas (see, for example, Article 4 of S.I. 2016 No.33).

^{vii} Article 4 No.9 Order and similar provisions in individual Commencement Orders introducing 'full service' areas (see, for example, Article 4 of S.I. 2016 No.33 – but note there is no reference to the claimant satisfying gateway conditions in the 'full service' area).