

## 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 in the area covered by Newcastle City and Newcastle East Jobcentres and from 15 March 2017, Newcastle West. 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>
<b>Change in employment status</b>		
On IB-JSA / IS / IR-ESA and start or increase working hours to satisfy WTC amount (to 16, 24 or 30 hours)	Claim WTC <sup>i</sup>	Claim UC
On 'legacy benefit', e.g. IB-JSA and HB, and start work but not enough hours to satisfy WTC	'Legacy benefits' adjusted	<b>Choice</b> – remain on adjusted 'legacy benefit' or claim UC if better off. See 'Swapping from 'legacy benefit' to claim UC' page 4
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
On CTC only and start work to satisfy WTC rules	Claim WTC	Remain on CTC and claim WTC

<i>Change of circumstance(s)</i>	<i>What could happen before UC?</i>	<i>What happens in a 'full service' UC area?</i>
On WTC and increase hours	Stay on WTC	See <b>choice</b> page 1
On WTC and becomes sick	Claim IR-ESA	Claim UC
<b>Change in family circumstances</b>		
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 <b>choice</b> page 1
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. <sup>ii</sup> For example:		
Couple on TC separate	Make separate claims for 'legacy benefits'	Both claim UC as single people
Lone parent on e.g. IS and CTC becomes a couple	Claim e.g. IB-JSA or IR-ESA and make new TC claim as a couple	Claim UC as a couple
Couple on IB-JSA with child under 5 becomes a lone parent	Claim IS / IB-JSA	Both claim UC as single people
Single person under pension age on 'legacy benefit(s)'. Becomes a couple with person of Pension Credit qualifying age	Claim PC	Claim PC. When UC fully rolled out across the country, claim UC <sup>iii</sup>
<b>Carers</b>		
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 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>
<b>Tax Credits</b> (see also <b>Change in employment status</b> and <b>Change in family circumstances</b> above)		
TC renewal	Remain on TC	See <b>choice</b> page 1
On TC and change does not lead to a claim for a new 'legacy benefit' e.g. less income	Remain on TC	See <b>choice</b> page 1
<b>Sickness</b> (see also <b>Change in employment status</b> above)		
On IR-ESA and fails Work Capability Assessment (WCA) <sup>iv</sup>	Claim IB-JSA during mandatory reconsideration, IR-ESA pending appeal	Claim UC. If claimant challenges WCA and wins, remains on UC. Or, claims IR-ESA during appeal. See <i>note</i> <sup>v</sup>
On IB-JSA and becomes sick	Claim IR-ESA	Claim UC
<b>Moving area / taking up a tenancy</b>		
HB claimant moves into 'full service' area ( <b>different</b> Local Authority)	New claim for HB	Claim UC
HB claimant moves into 'full service' area ( <b>same</b> Local Authority)	Remain on HB	See <b>choice</b> page 1 <sup>vi</sup>
On TC / IS / IR-ESA / IB-JSA and takes up a new tenancy for the first time	Claim HB	Claim UC
<b>Other</b>		
On IB-JSA and attends court / jury service	Claim IS	Claim UC
On IB-JSA and remanded in custody	Claim IS	Claim UC <sup>vii</sup>
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	Claim IB-JSA or IR-ESA	Claim UC (treated as a new claim)
Receives a benefit sanction	Receives reduced/cut 'legacy benefit'. Claim hardship payment, check HB.	No change. <sup>viii</sup>

## Swapping from ‘legacy benefit’ to claim UC

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

### Behind the examples in the table are these general ‘rules’:

- Someone in ‘full service’ area cannot claim a ‘legacy benefit’ <sup>ix</sup>
- For ‘live’ and ‘full service’ areas, someone cannot also be entitled to a ‘legacy benefit’ should s/he consequently claim and get UC <sup>x</sup>
- 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 <sup>xi</sup>
- If a claimant is in receipt of TC and does not claim another benefit they will not have to claim UC, although a partner leaving or joining means a new claim so it’s UC <sup>xii</sup>

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. **Transitional protection** does not apply to these ‘natural migrations’. 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 UC may be higher in other circumstances. If there is a choice to claim UC - as identified in this document, a ‘better off’ calculation is required. Transitional protection will only apply for ‘managed migration’ cases when the DWP transfer remaining people on ‘legacy benefits’ across to UC after the roll out is completed possibly [between 2019 and 2022](#).

### Sources and further information

All these examples are from various sources such as the DWP and [CPAG](#). 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 [Revenuebenefits webpage](#) provides useful information on this area including moves between ‘live service’ and ‘full service’ areas, which is not covered in this document.

**This document** has been produced by Newcastle City Council Active Inclusion Unit **February 2017**, is as accurate as possible and subject to change. If you have any comments, email [Active Inclusion Newcastle](#).

## 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

<sup>i</sup> 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'.

<sup>ii</sup> Article 7(5) of [SI 2015 No.634](#) says that the rule preventing tax credit claims in UC full service areas does not apply for someone already entitled to WTC or CTC, such as a WTC claimant having a child. However, a single TC claimant becoming a couple means a cessation of that person's single person status and TC would stop and vice versa. A similar single/couple change in income related ESA does not in itself lead to an end in single or couple status. Rather it would simply be a change in circumstances and remain on 'legacy benefit'. Where a couple separate of forms and there are attempts to make new IS/JSA claims that would terminate those benefits and necessitate a claim for UC.

<sup>iii</sup> Pending legislation (specifically a Commencement Order) to make this change.

<sup>iv</sup> Meaning 'not sick' / fails the 'limited capability for work test'.

<sup>v</sup> The DWP agree with Child Poverty Action Group (Welfare Rights Bulletin 255&253) that "IR-ESA can be re-awarded where a (WCA) appeal is lodged, provided the claimant has neither claimed 'new style' JSA nor UC during the mandatory reconsideration period. Essentially this is because the claimant is not required to make a new claim in order for the IR-ESA to be re-awarded therefore doesn't trigger a need to claim for UC." Entitlement to ESA pending appeal does not require a new claim for ESA (Reg 39(j) Social Security (Claims and Payments) Regulations 1987, No.1968). If JSA/UC claimed during MR stage, then may have to stay on UC rather than returning to ESA but this may be arguable.

<sup>vi</sup> A change of address in same local authority is a change in circumstances not a new claim. Regulation 79(2A) of HB regulations 2006. Some authorities may issue a claim for but this does not mean the claim has been terminated.

<sup>vii</sup> 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.

<sup>viii</sup> Always check HB is paid. If JSA is stopped rather than sanctioned HB may also stop. So claim HB on nil income but may be told to claim UC instead.

<sup>ix</sup> 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.

<sup>x</sup> Regulation 5 Universal Credit (Transitional Provisions) Regulations 2014 No.1230: 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).

<sup>xi</sup> 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).

<sup>xii</sup> See endnote <sup>ii</sup>