

Transitional Additional Amount Calculation Sheet

IMPORTANT: This is not as simple as adding together the claimant's Tax Credits (and any existing Pension Credit award) in payment and comparing to the claimant's first PC award. Please do use the notes provided.

STEP 1: Do they meet the qualifying criteria

Have they received a Tax Credit Closure Notice and are either already on Pension Credit or making/made a claim for Pension Credit within a month of their Deadline Day?

Migration Day ¹ =

STEP 2: Total Child Tax Credit (and Pension Credit) amount on Migration Day

NOTE: Entitlement before any deductions for overpayments, third party deductions etc

Child Tax Credit	Daily rate ²	x 7	£	
Pension Credit (if in payment on Migration Day) INCLUDE both Guarantee and Savings	Weekly rate		£	
DO NOT INCLUDE ANY ³ Working Tax Credit or Housing Benefit	Total Existing Amount (TEA)		£	A

STEP 3: Total Indicative State Pension Credit Amount

(based on info held by HMRC, Pension Service and PC claim form – claimant's circumstances on their Migration Day)

STEP 3A: Total Indicative Guarantee SPC Amount

Indicative Max GSPC Amount (IMSPCA)		Indicative Assessable Income (IAI) If couple include both partner's earnings, income, savings/capital		
Standard Appropriate Amount	£	Assessable^ Pension Income	£	
Child Additions ⁴ Number included in CTC and future PC award (One high if CTC includes a Family Element)	£	WEEKLY AMOUNT E.g., State Pension, works pension, private pension		
Disabled Child Additions ⁵ Any DCAs the claimant would be entitled to on their Migration Day	£	Weekly Earnings (after disregard) ⁷ IMPORTANT: See over for how to calculate assessable earnings	£	
Carers Addition ⁶ If getting paid (or has underlying entitlement to) Carers Allowance	£	Assessable^ Benefit Income WEEKLY AMOUNT E.g., Carers Allowance, IIDB etc	£	
Severe Disability Addition If meet criteria for it on Migration Day	£	Other Assessable^ Income	£	
Housing Costs Addition If homeowner – for ground rent, eligible service charges and meet eligibility conditions	£	Assessable^ Savings/Capital Savings/Capital above £10,000 = £1 per £500 or part of	£	
		^ Note: not all income/savings count – may be partly disregarded		
Total Appropriate Amount =	£	B	Total IAI =	£ C
B £ minus C £ gives the Indicative GSPC Amount =			£	D

If this is a negative figure = Excess Income

STEP 3B: Total Indicative Savings SPC Amount (only needed if meet entitlement rules) ⁸

Savings Pension Credit Starting Point:	Single = £189.80 / Couple = £301.22			S1
'Qualifying' Income: Total IAI (C) minus NS ESA/JSA, WTC, SDA, MA or spousal maintenance	£	S2	If below SPC starting point (S1) no entitlement	
Max savings PC: (capped at £17.01 if single or £19.04 if couple) If qualifying income (S2) is same as or above relevant Standard Appropriate Amount used above, use cap limit	£ = 60% of (S2 – S1) OR £17.01 / £19.04	S3	If qualifying income (S2) is less than or same as Appropriate Amount (B), this is SPC entitlement	
Reduced SPC entitlement: only need if qualifying income (S2) more than Appropriate Amount (B)	£ = S3 - 40% of (C - B)	If qualifying income (S2) if more than Appropriate Amount (B), this is SPC entitlement		
Savings Pension Credit Entitlement:			£	E

STEP 3C: Total Indicative State Pension Credit Amount

D (if greater than zero) £ plus E (if entitled) £ = Total ISPCA £ F

STEP 4: Are they worse off?

Is 'Total Existing Amount' higher than the 'Total Indicative SPC Amount'?

If YES, entitled to a Transitional Additional Amount: Fill out the appropriate column below to calculate it.

If NO, then no Transitional Additional Element as Indicative Pension Credit award higher than existing CTC (and PC) amount

If IGPCA (D) more than Nil:			9 IF IGSPCA (D) = Nil or negative:	
Total Existing Amount	A	£	Total Child Tax Credit	£
MINUS			PLUS	
Total Indicative SPCA	F	- £	D £ <input type="text"/> Excess Income	+ £
			if meet entitlement rules for SPC 8 AND qualifying income (S2) is equal to or above SPC Starting Point (S1) then	- £
			MINUS £17.01 single / £19.04 couple	
EQUALS: Amount of Transitional Element			= £ <input type="text"/>	

NOTES:

What you'll need: To work out a claimant's Transitional Additional Amount you will need to know:

- Their Migration Day / likely Migration Day
- How any CTC award has been worked out – which Elements have been included based on what earnings (if any)
- The Additions that the claimant will be entitled to in their Pension Credit award for them/any partner
- What other income they have declared / are going to declare in their PC claim
- The level of their savings/capital declared to HMRC

1 Migration Day

If they are already on Pension Credit (PC), then their Migration Day will be the day before their deadline. If they are making a new claim for PC and they make this claim for PC before their deadline, their Migration Day will be the day before they made their claim. If they make their claim for PC after their deadline but within one calendar month, their Migration Day will be the day before their deadline.

2 Tax Credit daily rate

To calculate their daily rate, you can divide their entitlement by the number of days it applies to. You should be able to find this information on their latest award letter (if they have not reported a change in circumstances since receiving it).

3 Total Existing Amount

This does not include any Housing Benefit (as this is not being replaced by Pension Credit), nor does it include any Working Tax Credit.

4 Child Additions

The amount of Child Additions is not limited to two, so will include a Child Addition for each child/young person the claimant receives a Child Element for in their CTC award plus a Child Addition for any other children/young people the claimant is responsible for.

5 Disabled Child Additions

Include the appropriate DCA for each child or qualifying young person the claimant is responsible for on their Migration Day.

6 Carer Addition

A claimant can have an underlying entitlement to Carers Allowance where they have made a claim for it, meet the eligibility rules, but it can't be paid because it 'overlaps' with another benefit such as State Pension.

7 Earnings

If getting Tax Credits – use annual figure being used by HMRC, convert to a weekly amount and deduct notional amounts for Tax and NI (you can use a salary calculator available on the internet - ensure no deductions are made for pension contributions). THEN apply the appropriate weekly disregard: £20 if lone parent, or getting PIP/ADP, AA, DLA, AFIP, ESA, or Carer Addition, or registered blind; or some on IR-ESA prior to PC; or £10 for couples / £5 for single claimants. The result will be the Weekly Earnings

8 Savings Pension Credit

YOU NEED ONLY COMPLETE THIS SECTION IF THE CLAIMANT IS ENTITLED TO RECEIVE SAVINGS PENSION CREDIT this is:

A single man who was State Pension age i.e. reached his 65th birthday before 6th April 2016.

A single woman who was State Pension age i.e. reached her 63rd birthday before 6th April 2016

For couples, they must either: both have reached State Pension age before 6th April 2016 or else they are currently getting Savings Credit because their entitlement began before the rules changed

9 Where Indicative Guarantee Pension Credit award is nil

Special rules apply when working out the Transitional Additional Amount for claimants whose Indicative Guarantee PC Amount is reduced to £nil due to income, as otherwise the TAA would not properly protect them from being worse off on PC.

Disclaimer: We have developed this calculation sheet based on the Regulations, Guidance and information as at 20/6/24.

This sheet is therefore just a guide to help work out a claimant's likely Transitional Additional Amount.