

# Transitional Element Calculation Sheet

**IMPORTANT:** The way the Total Legacy Amount and Indicative UC Amount are calculated is not as simple as adding together the legacy benefits in payment and comparing to the claimant's first UC award. Please do use the notes provided.

## STEP 1: Do they meet the qualifying criteria

Have they made a claim for UC before their final deadline day, in the same benefit unit, and were they getting a legacy benefit on their 'Migration Day' i.e., the day before their UC started?

Migration Day <sup>1</sup> =

## STEP 2: Total Legacy Amount on Migration Day

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

|  |   |  |          |
|--|---|--|----------|
| Working Tax Credit   | Daily rate <sup>2</sup> £   | x 365 / 12   | £        |
| Child Tax Credit   | Daily rate <sup>2</sup> £   | x 365 / 12   | £        |
| Income-Related ESA <sup>3</sup>                            | Weekly rate £   | x 52 / 12  | £        |
| Income Support   | Weekly rate £   | x 52 / 12  | £        |
| Income-Based JSA   | Weekly rate £   | x 52 / 12  | £        |
| Housing Benefit*   | Weekly rate £   | x 52 (or 50/48 if rent free weeks) / 12  | £        |
| *Not if living in 'specified' or 'temporary' accommodation | <sup>4</sup> If no HB or only 50p/week may have to reduce TLA by 'excess welfare' | <b>Total legacy Amount (TLA)</b><br><sup>4</sup> Where appropriate less 'excess welfare' £ | £        |
|  |   |  | <b>A</b> |

## STEP 3: Total Indicative UC Amount

(based on info held by HMRC, DWP, HB and on UC claim form – claimant's circumstances on their Migration Day)

| Indicative Max UC Amount (IMUCA)   |              | Indicative Assessable Income (IAI)<br>If couple include both partner's earnings, income, savings/capital                           |   |
|--|--------------|--|---|
| Standard Allowance<br>Based on age and status  | £            | Monthly Earnings<br><sup>7</sup> IMPORTANT: See over for how to calculate assessable earnings                                      | £                                       |
| Child Elements<br>Number included in CTC<br>(If Family Element then 1 x high CE)   | £            | Assessable^ Benefit Income<br>CONVERT TO MONTHLY<br>E.g., Carers Allowance, NS-ESA, C-ESA <sup>3</sup><br>State Pension, IIDB, WPA | £                                       |
| Disabled Child Elements<br>Number included in CTC<br>(If high DCE in TC, then high DCE in UC)  | £            | Other Assessable^ Income<br>CONVERT TO MONTHLY<br>E.g., works pension, student income <sup>8</sup>                                 | £                                       |
| Childcare Costs Element<br>Weekly rate of childcare paid for, as used for CTC, x 85% (& capped if appropriate)                                     | £            | Assessable^ Savings/Capital<br>Savings/Capital above £6,000 = £4.35per £250 or part of (ignore any savings above £16,000)          | £                                       |
| ~LCW/LCWRA Element If getting a WRAG or Support Component in IR-ESA, NS-ESA/C-ESA, or NI Credits for LCW <sup>5</sup>                              | £            | ^ Note: not all income/savings count - see website for more information  |   |
| ~Carer Element If declares as a carer on their UC claim form<br>~ Can't have both included in respect of same claimant (include the highest value) | £            |  |   |
| Housing Costs Element <sup>6</sup><br>If getting Housing Benefit (see over)  | £            |  |   |
| <b>Total IMUCA =</b>   | £            | <b>Total IAI =</b>   | £                                       |
| <b>B £</b>   | <b>minus</b> | <b>C £</b>   | <b>gives the Indicative UC Amount =</b> |
|  |              |  | £                                       |
|  |              |  | <b>D</b>                                |

## STEP 4: Is Total Legacy Amount higher than Indicative UC Amount?

(If YES, entitled to a Transitional Element: Fill out the appropriate column below to calculate Transitional Element. If NO, then no Transitional Element but go on to consider whether they would be entitled to a Transitional SDP Element instead)

| If IUCA (D) amount more than Nil:      |   | IF IUCA (D) = Nil:                  |   |
|--|---|-------------------------------------|---|
| Total Legacy Amount <b>A</b>           | £ | Total Legacy Amount <b>A</b>        | £ |
| MINUS<br>Indicative UC Amount <b>D</b> | £ | PLUS Excess Income<br>C £ minus B £ | £ |

EQUALS **Amount of Transitional Element**

£

## NOTES:

|   |
|---|
| <b>What you'll need</b>   |
| <b>To work out a claimant's Managed Migration Transitional Element you will need to know:</b> <ul style="list-style-type: none"><li>- Their Migration Day / likely Migration Day</li><li>- How any Tax Credit award has been worked out – which Elements have been included based on what earnings (if any)</li><li>- The Premiums included in any other legacy benefit and what earnings have been used (if any)</li><li>- What other income they have declared / are going to declare in their UC claim</li><li>- The level of their savings/capital</li></ul>  |
| <b>1 Migration Day</b>  |
| If they make their claim for UC before their deadline, their Migration Day will be the day before they made their claim. If they make their claim for UC between their deadline and their 'final deadline' (i.e., within one calendar month), their Migration Day will be the day before their deadline.  |
| <b>2 Tax Credit daily rate</b>  |
| 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).   |
| <b>3 Income-Related ESA</b>   |
| The Regs say where a claimant is entitled to IR-ESA and C-ESA – to add the total amount of ESA ie IR-ESA + C-ESA into the Total Legacy Amount (and we assume not to include the C-ESA as benefit income).   |
| <b>4 Benefit Cap</b>  |
| <b>Could their IUCA be subject to the Benefit Cap (i.e., they don't fall into any of the UC excluded groups)?</b><br><b>THEN Indicative UC Amount:</b> must be reduced by any excess 'welfare' above their relevant Benefit Cap limit (minus UC Childcare Costs Element if applicable).<br><b>AND if no HB or only 50p a week HB:</b><br>then their <b>Total Legacy Amount</b> MUST also be reduced by any excess 'welfare' above their relevant Benefit Cap limit (minus UC Childcare Costs Element if applicable), even if they would not normally be affected.<br>See our website for how to calculate excess income.  |
| <b>5 NI Credits for LCW</b>   |
| If the claimant/partner has NI Credits for LCW: if in the Support Group, they will be entitled to a LCWRA Element; if in the WRA Group then they will be entitled to a LCW Element if their period of LCW pre-dates 7 <sup>th</sup> April 2017.   |
| <b>6 Housing Costs Element</b>  |
| Assess in normal way based on circumstances, rent etc on the claimant's Migration Day.<br>The HCE will be based on the information provided by the claimant in their UC claim re rent free weeks, occupancy and Housing Costs Contributions (i.e. non-dependant deductions).  |
| <b>7 Earnings</b>   |
| If getting Tax Credits – use annual figure being used by HMRC, convert to a monthly 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).<br>NOTE: If getting CTC and IR-ESA, IS or IB-JSA, the Regs seem to state that you only use the earnings figure held by HMRC.<br>If not, use figure being used by IR-ESA, IS or IB-JSA or, if only HB, use income used by HB - convert to a Monthly Amount.<br>THEN<br>If has a Child Element or LCW/LCWRA Element included in their IMUCA deduct the Work Allowance: <ul style="list-style-type: none"><li>- £404 if IMUCA includes a Housing Costs Element (or lives in 'temporary' accommodation)</li><li>- £673 if IMUCA doesn't include a Housing Costs Element.</li></ul> THEN<br>Apply taper i.e. multiply by 55%      The result will be the Monthly Earnings |
| <b>8 Student Income</b>   |
| Not all student income is taken into account – and only over the period of study.<br>Please see website for more details.   |

**Disclaimer: We have developed this calculation sheet based on the Regulations, Guidance and information provided by the DWP as at 10/6/24. Some assumptions have had to be made. This sheet is therefore just a guide to help work out a claimant's likely Transitional Element.**