

MONEY MATTERS

A Welfare and Benefits blog
by Chris Saxon



People may also benefit from advice if they are expecting a change of circumstances in the near future such as a partner moving in or starting a new job and would like to know how this will impact their benefits.

Example:

Claimant A and Claimant B are a couple who live separately, Claimant A receives ESA with the severe disability premium, PIP (High Rate Daily Living), and Child Tax Credits for the two children from a previous relationship she lives with. Claimant B lives alone and receives Universal Credit and PIP (Standard Rate Daily Living, Standard Rate Mobility)

If they move in together, Claimant A will have to join Claimant B's Universal Credit claim, forming a new household with someone already receiving Universal Credit is one of the changes of circumstances which ends entitlement to legacy benefits such as ESA.

Claimant A will also lose her severe disability premium as a result, the severe disability premium has no equivalent in UC. While it is now possible for those receiving the SDP to receive "transitional protection" when they switch over from legacy benefits, this would not be possible in A's case as one of the prerequisites for receiving transitional protection is that you must not have had to claim UC as a result of forming a new couple.

There is an optimal strategy here to maximise income in the long term, Claimant B can voluntarily withdraw his Universal Credit claim, ideally the day after receiving a payment. If he were to then move in with A, A could report that her partner has moved in with her and he would then be added as a partner to her ESA claim.

This ESA claim would then include two Severe Disability Premiums, as both partners are eligible.

Moving in together would result in the Child Tax Credit claim ending, this happens to Tax Credits awards whenever a new couple forms or breaks up, meaning that the couple would be better off in the long term claiming UC.

However, if they wait for the ESA claim to include Claimant B, with both SDP's in payment before claiming Universal Credit, they will then be entitled to an extra £405 per month in SDP Transitional Protection. Having received even just one payment of ESA as a couple before claiming UC would mean the couple are not considered a "new couple" as so would be entitled to this extra amount.