

Severe Disability Premium compensation

Included in 'The Universal Credit (Managed Migration Pilot and Miscellaneous Amendments) Regulations 2019'¹ are the provisions to compensate claimants who were entitled to the severe disability premium (SDP) before they naturally migrated to Universal Credit. These regulations came into force on 24 July 2019.

Note: the SDP compensation rules are not the same as the SDP gateway rules which prevent claims for Universal Credit from 16/1/19 from people who are entitled to the SDP or have been in the last month. See the Winter 2018/19 edition of our Benefits Bulletin, available in the downloads section of our website, for more information.

Who do the rules apply to?

Claimants who were entitled to the severe disability premium in an award of **Income Support, income-based Jobseeker's Allowance** or **income-related Employment and Support Allowance** within the month prior to naturally migrating to Universal Credit **and** all the following conditions are met:

- in a case where the award of benefit ended during that month, the claimant continued to satisfy the conditions for the severe disability premium
- the award of Universal Credit has remained continuous (e.g. it has not ended, a single person has not become a couple and vice versa)
- the claimant has remained entitled to an award of Disability Living Allowance care component, Personal Independence Payment daily living component, Attendance Allowance or Armed Forces Independence Payment, and
- no one has become a carer for the claimant.

Who don't they apply to?

- Claimants who are manage migrated to Universal Credit – as they will be entitled to a transitional payment
- Claimants who are still on legacy benefits with an SDP included – the SDP gateway stops claimants in this position from claiming Universal Credit (this will end on 27 Jan 2021)
- Claimants who had the SDP in an award of **Housing Benefit only** before they naturally migrated.

¹ <http://www.legislation.gov.uk/ukxi/2019/1152/made>

How much will people get?

Single claimants

- £120 per month if the limited capability for work-related activity (LCWRA) element is included in their award
- £285 per month if the LCWRA is not included in the award

Joint claimants

- £405 per month if the higher SDP rate was payable and no one has become a carer for either of them
- £120 per month if the conditions for £405 per month are not met and the LCWRA element is included in the award in respect of either of them
- £285 per month if the conditions for £405 per month are not met and the LCWRA element is not included in the award in respect of either of them

The SDP compensation will be an ongoing amount as well as a backdated amount to cover the time that claimants have already spent on Universal Credit.

What do claimants need to do?

According to a Local Authority welfare direct bulletin published on 23/7/19², *“transitional payments will be made to former SDP claimants as soon as possible. Processes have been put in place to identify claimants who are potentially eligible for a transitional payment”*. Although this trawl of cases will be taking place, we don't think it would do claimants any harm to point out on their journal or at a meeting if they think that they should be entitled.

Other things to consider:

The transitional SDP payment is not a long term top up payment. The ongoing payment will at some point be converted into a standard transitional element. This means that the figure will be eroded over time by changes in entitlement to other elements of UC, and by the annual uprating of benefit.

Trudi was in receipt of income-related Employment and Support Allowance which included the SDP. She moved to a new local authority area in September 2018 and had to claim Universal Credit to get help with her housing costs. She remains entitled to Personal Independence Payment daily living component and no one has become a carer for her since she claimed UC.

Her Universal Credit award includes the LCWRA element. When the DWP look at her claim, she will be entitled to £120 per month transitional SDP payment, which will be backdated to September and include an ongoing amount. At some point, this extra amount will be converted into a normal transitional element and will be eroded over time with changes to her other UC elements.

² <https://www.gov.uk/government/publications/la-welfare-direct-bulletins-2019/la-welfare-direct-bulletin-72019-lite>