

Severe disability premium compensation

The severe disability premium (SDP) is an extra weekly payment (£66.95 per week - 2020/21 rates) available to claimants who receive a qualifying disability benefit¹, live alone and do not receive certain types of care. The SDP is payable within claims for Income Support, income-related Employment and Support Allowance, income-based Jobseeker's Allowance and Housing Benefit.

Universal Credit does not include an equivalent element. Following several court cases, the SDP compensation payment was introduced to mitigate the significant loss of income for those who had to claim Universal Credit due to a change in circumstances. Alongside this compensation, the SDP gateway rules were introduced from 16th January 2019, which prevented claims for Universal Credit from those who were entitled to the SDP (or had been within the last month). Claimants in this position were able to access the legacy benefit system instead.

The SDP gateway closed on 27th January 2021, and further regulations and guidance has been issued regarding who can still qualify for the SDP compensation payment².

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 the legacy 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 (eg. 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.

In a change to the existing regulations, the new rules also allow an SDP transitional payment to be paid to both partners of a couple following a separation, where the SDP had been included in the legacy award. Previously, only the claimant was eligible, as the ex-partner didn't have a claim in their own right. All other conditions must still be satisfied.

¹ Personal Independence Payment daily living component, Attendance Allowance, Disability Living Allowance middle or higher rate care component, Constant Attendance Allowance or Armed Forces Independence Payment.

² [The Universal Credit \(Transitional Provisions\) Regulations 2014 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

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 still receive a legacy benefit with an SDP included ; and
- Claimants who had the SDP in an award of **Housing Benefit only** before they naturally migrated.

How much will people get?

At the point of migration to Universal Credit (or the point that the SDP transitional element was awarded to those who migrated prior to the introduction of the SDP gateway rules), claimants will receive:

Single claimants

- £120 per month if the limited capability for work-related activity (LCWRA) element is included in their award; or
- £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; or
- £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; or
- £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.

Note: a backdated amount was payable to those who migrated to Universal Credit prior to the introduction of the SDP gateway rules to compensate them for the time already spent receiving Universal Credit.

Conversion to a Universal Credit transitional element

On 8th October 2020, the SDP transitional payment was converted into a Universal Credit transitional element. The UC transitional element protects claimants from immediate loss of income when they are manage migrated to Universal Credit. The UC transitional element is not ring-fenced; it is eroded by the annual uprating of benefit and increases to other elements (excluding the childcare costs element).

Claimants who are entitled to the SDP compensation payment will still receive the set amount shown above to start with, but due to this conversion, the payment will reduce over time. Although it provides temporary protection, the SDP transitional payment is not a long term top up.

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 remained entitled to Personal Independence Payment daily living component and no one became a carer for her since she claimed UC. As the LCWRA is included in her award, she received £120 per month as an SDP transitional element.

In November 2020, Trudi's health deteriorated and she moved house to be closer to family. Her £120 per month compensation payment reduced as the rent at her new property was higher than her previous property, which led to an increase in her housing costs element.