



Department
for Work &
Pensions

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8 August 2019

Dear Daphne

Thank you for your letter received on the 5th August 2019 regarding the next phase of Universal credit, Move to UC and SDP Payments.

In my letter dated 1st August 2019, I explained that the Ministerial intent was to ensure that claimants do not see a cash loss of an equivalent amount of the Severe Disability Premium (SDP) on changes of circumstances, assuming the conditions of entitlement to the SDP are still satisfied. It is not to replicate the transitional protection that will be available to claimants that the Department will move to Universal Credit (UC) without any change in their circumstances.

It may be helpful to explain that the SDP and the Enhanced Disability Premium (EDP) are different premiums with different qualifying conditions, which may be paid separately or in combination. The transitional payments that are being introduced for those claimants who were receiving the SDP recognise their very specific circumstances. People claiming EDP only generally gain when they move to UC, due to the more generous LCWRA addition in UC, as compared to legacy ESA Support Group rates.

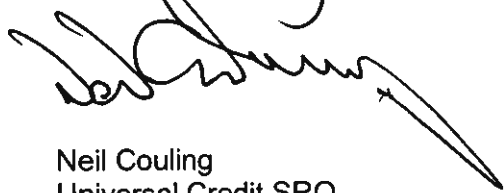
As mentioned in my letter, the Government has reviewed the current provisions and decided to increase the levels of transitional payment to provide claimants with rates that reflect the value of the SDP that the claimant was receiving prior to moving to UC. Where eligible, claimants will be able to receive up to an additional £405 per month on top of their existing UC award, depending on their specific circumstances.

With this in mind, we estimate that by 2024/25, approximately 45,000 of the most vulnerable claimants will benefit from this package of support, worth an estimated £600million over the next six years.

A further illustration of how these rates have been calculated in Annex 1.

I hope you find this useful.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Neil Couling', with a long, sweeping flourish extending to the right.

Neil Couling
Universal Credit SRO

Annex 1

For single claimants (or for couple claims where the lower rate of SDP was previously payable) who have not been found to have Limited Capability for Work and Work Related Activity (LCWRA) in Universal Credit:

Single age 25 and over Not in LCWRA group	ESA	UC
Severe Disability Premium (SDP)	£285.35	Nil
Work Related Activity Component (WRAC) /LCW	£125.89	£126.11*
Total	£411.24	
ESA/UC difference		-£285.13 (rounded to £285)

For single claimants (or for couple claims where the lower rate of SDP was previously payable) who have been found to have LCWRA in Universal Credit:

Single age 25 and over in LCWRA group	ESA	UC
SDP	£285.35	Nil
Support Group/LCWRA	£167.05	£336.20*
Total	£452.40	
ESA/UC difference		-£116.20 (rounded to £120)

For couple claims where the higher couple rate of SDP was previously payable:

Couples in LCWRA group	ESA	UC
SDP	£570.70	Nil
Support Group/LCWRA	£167.05	£336.20*
Total minus EDP	£737.75	
ESA/UC difference		-£401.55 (rounded to £405)

Note: that for couple claims where the higher couple rate of SDP was previously payable we expect that one or both members of the couple would have been assessed as having LCWRA. Therefore, there is no forth rate for those who were assessed as not having LCWRA.

