



Department
for Work &
Pensions

Neil Couling CB CBE
Universal Credit, Senior Responsible Owner
Director General, Fraud, Disability and Health
6th Floor, Caxton House
Tothill Street
London
SW1A 9NA

25 February 2025

Debbie Abrahams MP
Chair, Work and Pensions Select Committee
House of Commons
London
SW1A 0AA
Sent electronically

Dear Ms Abrahams

Transitional Severe Disability Premium Element

1. At the Work and Pensions Select Committee hearing on the 12 February your committee asked for an update on the progress the Department has made in identifying and paying individuals who were identified as eligible for the transitional severe disability premium element (as at Question 86 of the [hearing](#)). I, of course, gave a full explanation at the hearing but owing to the complexity of that explanation I offered to write in follow up to the answer I gave. In this letter I have outlined the background that led to the process we are carrying out today as well as the latest position regarding the payments that have been made.

Background

2. When designing Universal Credit (UC), it was agreed that the complex range of premiums in the legacy system would not be reproduced; they were confusing to claimants, prone to error and costly to administer. Instead, it was agreed that disability support would be redesigned in the round and help would be focussed on those most in need. Some of the money saved would be reallocated to increase the Limited Capability for Work and Work-Related Activity addition which is more than double the Employment and Support Allowance equivalent.

3. Whilst Transitional Protection would ensure those moved across to UC through managed migration would not see a reduction in entitlement, some Severely Disabled Premium (SDP) customers experienced a sharp fall in their benefit when a change of circumstances meant that had to move from legacy benefits to Universal Credit. In response the then Secretary of State, Esther McVey directed the Department to develop policy for a Severe Disability Premium Transitional Element to be paid to former recipients of SDP who had, through a change of circumstances, made a claim to UC.

4. All of this prompted a series of Judicial Reviews, the last of which was brought by claimants TP&AR and AB&F (commonly referred to as TP3). They challenged the rates of the SDP Transitional Element payments that had been paid since 2019. They argued that they had been treated differently to two groups who did not suffer a loss, despite being in a similar position to theirs; 'managed migrants' who received transitional protection and a cohort who were prevented from moving onto UC (by the SDP Gateway) and were able to continue receiving legacy benefits.

5. Claimants AB&F also challenged the lack of a transitional protection in respect of disabled children who were entitled to the lower rate Disabled Child Addition (DCA) moving to UC through a change of circumstances.

6. A judgment in the claimant's favour in TP3 was handed down on 21 January 2022. It ruled that a difference in the treatment of legacy customers entitled to SDP who naturally migrate to UC and do not receive transitional protection for the value of Enhanced Disability Premium (EDP) was unjustified. It also found that the DWP was not justified in paying the Disabled Child Addition in UC at a lower rate than the Disabled Child Element in Child Tax Credits, where the customer also had entitlement to SDP.

7. In response the then Secretary of State for Work and Pensions agreed to introduce [new regulations from 14th February 2024](#) which provided additional support for newly eligible customers who move to Universal Credit following a change in their circumstances and are entitled to the Transitional SDP Element in Universal Credit.

8. These regulations provide an additional amount of transitional protection to reflect the loss of the EDP, the Disability Premium (DP), and an amount for disabled children, where appropriate, for former recipients of SDP.

9. As part of the Department's response to the judgment, we are committed to identifying and paying eligible customers who have already moved to Universal Credit. This is a complex undertaking, and we are working to ensure payments are made to eligible customers as soon as possible.

10. While we have started the process of making payments, we recognise that this will be more complex for some than others. We are starting with those that have had their Transitional SDP Element paid entirely on the Universal Credit system, before expanding to other groups. This is consistent with our approach to other complex

processes in Universal Credit; it protects claimants as well as the safe administration of Universal Credit.

11. As I explained at the Work & Pensions Committee meeting on 12 February 2025, we are making the back payments to eligible customers in 3 phases.

12. **Phase 1** – We have started with the cases (approximately 35,000) who had their Transitional SDP Element paid purely on the Universal Credit system as they are the most straightforward to make payment to and are also the largest group of cases. Payments to customers in this phase have begun and as of 24 February 2025, we have paid 4110 customers at a cost of around £8.7million. This is an average payment of approximately £2100 per customer.

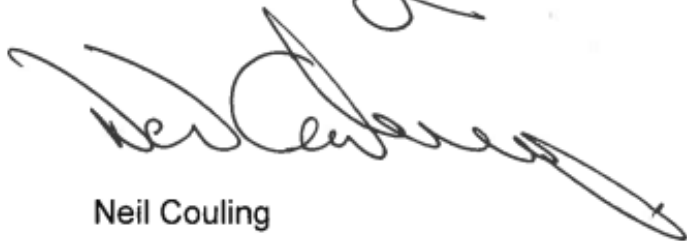
13. **Phase 2** – Those (approximately 15,000) who received a manual SDP transitional payment which was then converted to a transitional SDP element and is now paid via the Universal Credit system. This group of customers are slightly more complex owing to the mixed nature of their transitional payments. New system functionality has been developed and we are planning on starting to make payments to this group of customers by end March 2025.

14. **Phase 3** – The final and smallest group (approximately 7,000) includes those who received either a manual SDP transitional payment and / or an on-system Transitional SDP Element and their Universal Credit claim has since closed. This group are more complex, and analysis is ongoing to determine the level of work required to enable payments to be made to this group.

15. We are aiming to complete the payments to customers in Phases 1 & 2 by end August 2025.

I hope this letter is of use and provides you with the written clarity you requested.

Yours Sincerely

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

Neil Couling

Universal Credit Senior Responsible Owner
Director General, Fraud Disability & Health