

A close-up photograph of a Black man with short dreadlocks, smiling and holding a silver mobile phone to his ear. He is wearing a blue button-down shirt. The background is a plain, light-colored wall with a window and curtains visible on the right side.

Herts Adviser

Updated benefits information and advice
From Hertfordshire's Money Advice Unit

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www.hertfordshire.gov.uk/benefits

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Universal credit managed migration update

In 2024, the Department for Work and Pensions (DWP) began the process of telling Hertfordshire claimants who receive tax credits, income-related employment and support allowance, and housing benefit to transfer to universal credit. This is known as **managed migration**. Claimants who receive a migration notice must take action to avoid losing money. They should [apply for universal credit on gov.uk](#) before their ‘deadline date,’ which will be three months after the date the migration notice was issued. If they cannot claim universal credit by the deadline date, they should contact the [universal credit Migration Notice helpline](#) on **0800 169 0328** before their deadline date, to request an extension.

[Transitional protection rules](#) mean that most claimants will not be immediately worse off following managed migration.

Update

The managed migration process is now well underway. DWP statistics show:

- Around 1.4 million households have been sent migration notices.
- 27 per cent of the households who received a migration notice by the end of May 2024 did not claim universal credit (and had their legacy benefit claims closed).
- 51 per cent of households migrated by September 2024 were awarded transitional protection.

The DWP aims to send out a further 63,000 migration notices every month from February 2025 until early December 2025.

Tax credit claimants

Tax credit to universal credit migration has nearly finished. Any remaining tax credit claimants will have either recently been sent, or will soon be sent, a migration notice. Tax credits have a 'hard stop' date of 5 April 2024, meaning that nobody will receive tax credits after that date. The HM Revenue and Customs Tax Credit department will remain open until May 2026 to deal with any appeals.

Employment and support allowance (ESA)

The DWP plans to complete the migration of claimants on income-related ESA, income support, and income-based jobseeker's allowance by April 2026. Contributory ESA is not being replaced by universal credit, but will be replaced by **new-style ESA**, which claimants can receive alongside universal credit

ESA claimants migrating to universal credit should **not** be required to submit fitnotes, and should not routinely be referred for a work capability assessment when transferring from income-related ESA to universal credit. However, some claimants transferring from contributory ESA to new-style ESA are being asked to take part in telephone or face-to-face appointments with a work coach. Seek advice if in doubt.

Housing benefit

Most working-age housing benefit claimants, and mixed-age couples where one partner is of working age, will be told to migrate to universal credit. Only those living in 'specified' or 'temporary' accommodation will be able to receive housing benefit after April 2026; this group will be able to claim housing benefit alongside universal credit. The definition of **specified accommodation** is complex, so claimants should seek advice if not sure whether they should be claiming housing benefit or universal credit housing costs.

Note that universal credit claimants who are working (or have a partner in work) can qualify for a higher work allowance (earnings disregard) if they are deemed to be in specified (but not temporary) accommodation and receive help with rent through housing benefit instead of universal credit housing costs.

Further information

Our **universal credit factsheet** has further information. Claimants should seek advice if they have difficulty with universal credit migration or are unsure if they have been awarded the correct amount.



Legacy benefit claimants who have not yet received a migration notice should **not** apply for universal credit without getting advice.

Pension credit and winter fuel payments

Following the change in rules for [winter fuel payments](#), restricting eligibility to those in receipt of pension credit or certain other means-tested benefits, the number of new pension credit claims increased dramatically.

The DWP advertised widely to encourage take up of pension credit, and many local and voluntary organisations have also publicised it. Around 150,000 pension credit claims were made in the 16 weeks following the winter fuel payment announcement, compared to around 61,300 Pension Credit claims in the 16 weeks before the announcement.

Unfortunately, as the number of claims increased, there have been delays in processing them. Despite an increase in the number of DWP staff working on pension credit claims, the average time taken to process claims increased to 13 weeks by December 2024.

To qualify for a winter fuel payment, claimants must have been born before 23 September 1958 and must have been getting pension credit (or another qualifying benefit) for the qualifying week of 16 to 22 September 2024. This includes those who receive a backdated benefit award covering the qualifying week.

Claimants who think they are eligible for a winter fuel payment, but haven't received a letter or payment by 29 January 2025, should contact the Winter Fuel Payment Helpline on **0800 731 0160**.

Cold weather payments of £25 a week when the temperature drops, or is forecast to drop, to zero degrees

Celsius or less for seven consecutive days will be automatically paid to people on pension credit and certain other benefits (most DWP means-tested benefits if someone is disabled, long-term ill or has a child aged under five). Check [gov.uk](https://www.gov.uk) for eligibility.



Housing benefit: change ahead for pensioners

There are two very significant changes ahead for pensioners needing help with their rent. They can currently claim housing benefit from the district or borough council, whether getting pension credit or not. Some pensioners who claim housing benefit do not realise that they are eligible for pension credit as well.

From January 2025, the DWP will use data analysis to help councils figure out more accurately whether new housing benefit claimants are also likely to be entitled to pension credit, and prompt them to apply for pension credit if they are likely to be eligible.

The second, even bigger, change is that from 2026, the DWP will begin merging housing benefit and pension credit into one benefit (much like universal credit works for younger claimants already). When a pensioner applies for help, whether for living costs or rent, they will automatically get assessed for both.

Tax credit overpayments, managed migration and the COP agreement

Child tax credit and working tax credit cease at the latest on 5 April 2025. Current recipients are getting migration notices giving them three months to apply for universal credit. Under managed migration, entitlement to tax credits ends the day before entitlement to universal credit starts, in practice by the issuing of a 'stop notice' from the DWP to HM Revenue & Customs (HMRC). However, there is often a delay of up to one month between the date of the universal credit claim and the issuing of the stop notice, as the DWP wait for the ID verification of the universal credit claim. Through no fault of the claimant, this may cause an overpayment of tax credits, for any payments covering the period after the date of the universal credit claim.

All tax credit overpayments are legally recoverable, with no right of appeal, but Code of Practice guidance [HMRC guidance COP26](#) states overpayments should **not** be recovered if the claimant met their responsibilities and HMRC has failed in their responsibilities. Claimants can ask HMRC to use its discretion not to recover, using form [TC846](#), noting:

- COP26 implies that if the claimant separately notifies the Tax Credits Helpline that they have just claimed universal credit, the overpayment should not be recovered.
- The migration notice tells claimants *"Your tax credits award will end from the date you make your universal credit claim"* and there is nothing that suggests they should separately notify HMRC when they claim universal credit, so it is unreasonable to expect them to do so.
- It is reasonable for claimants to rely on DWP/HMRC to meet its statutory obligation to terminate tax credits in accordance with [The Universal Credit \(Transitional Provisions\) Regulations 2014 Reg 8\(2\)](#).
- HMRC should routinely exercise discretion to waive recovery of the resulting overpayment, to put tax credits on an equal footing with other legacy benefits, which allow a two-week run-on.

Note also that tax credit overpayments are usually transferred (after allowing at least one month to appeal entitlement or dispute recovery) to the DWP to recover from ongoing payments of universal credit. Transfer of overpayment debt to the DWP should not happen if there is an ongoing review, appeal or dispute concerning the overpayment.



Childcare

Childcare support is expanding. At present, working parents can get 15 hours a week for a child aged nine months to two years old, or 30 hours a week for a child aged three or four years old. From September 2025, there will be 30 hours of free childcare support available to eligible working parents of children aged from nine months to school age - see www.childcarechoices.gov.uk



The key word is 'eligible'! Generally speaking, for couples, both must be working or treated as working e.g. on sick leave or annual leave, or on shared parental, maternity, paternity or adoption leave. In addition, within the next three months, the applicant and partner must **each** expect to earn at least the [national minimum wage or living wage](#) for 16 hours a week on average over the next three months.

But there are circumstances where only one partner in a couple needs to be in work. The official website gov.uk deals with these situations. Unfortunately, at the time of writing this, the website is very misleading! It lists five benefits that the non-working partner needs to be on:

"You may still be eligible if your partner is working, and you are on carer's leave or if you get any of the following:

- *incapacity benefit*
- *severe disablement allowance*
- *carer's allowance*
- *limited capability for work benefit*
- *contribution-based employment and support allowance"*

However, the first two on the list no longer exist; there is no limited capacity for work benefit and contribution-based ESA is now known as new-style ESA. There is no reference on the list to universal credit, although that does include a limited capacity for work element, which is presumably what they mean. Universal credit also includes a carers element, which carers can get on the same qualifying criteria as carers allowance apart from there being no upper earnings limit.

The MAU's advice therefore, for couples where one partner is working and the other partner isn't in a position to provide childcare, is to [make an application](#) even if circumstances don't match what is on the website.

Factsheet – students and universal credit

An updated MAU factsheet, [Students and universal credit](#), is now available. The factsheet explains which categories of student may qualify for universal credit, and has information about how student finance affects the amount of universal credit payable.



2025 benefit uprating – but not all claimants will be better off

From April 2025, benefit rates for working-age people will rise by 1.7 per cent. The state retirement pension, and the standard allowance for pension credit, will increase by 4.1 per cent.



An updated version of the MAU's benefits rates card will soon be available. In the meantime, you can see details of the new rates on [gov.uk](https://www.gov.uk). Claimants will receive letters before April 2025, explaining how the changes will affect them.

Although universal credit allowances and elements are being increased by 1.7 per cent, universal credit claimants who have previously been given **transitional protection** when migrating from legacy benefits to universal credit may receive little or no gain from the benefit uprating. That is because the increase in universal credit rates will cause their transitional element to be eroded or removed.

Example: Jane migrated from income-related employment and support allowance to universal credit in December 2024. Prior to the April 2025 uprating, her universal credit includes a 'severe disability premium transitional element' of £334.51 per month on top of the universal credit standard allowance of £393.45, meaning she receives a total universal credit award of £728.26 per month. In April 2025, her universal credit standard allowance will increase by £6.69 (to £400.14 per month), but her transitional element will be reduced by the same amount (£6.69), meaning her universal credit will remain the same as it was before the uprating.

If a universal credit claimant has housing costs included in their universal credit, any increase in housing costs due to an April 2025 rent increase will lead to erosion of their transitional element in a similar way, meaning that they may have less money to live on after rent has been paid.

Local housing allowance rates and benefit cap frozen

Local housing allowance (LHA) rates (which restrict the amount of benefit that can be paid for housing costs for social rented accommodation) will be frozen at their 2024 level. This will mean more claimants have shortfalls in their housing costs, as rents continue to rise.

The benefit cap rates will also be frozen in 2025. This means that some claimants, mostly families, will not get some or all of the 1.7 per cent increase due to universal credit claimants in April, because their benefit income is already close to or above the capping limit. That figure is £1,835 a month (including housing costs) for families living outside London. More than 120,000 British households had their benefits capped as at August 2024. It becomes more important than ever to check [exemptions](#).

Universal credit debt deductions

April 2025 will see a reduction in the maximum monthly amounts that can be deducted from universal credit payments for recovery of money owed to the DWP and other debts such as rent arrears. Currently, the general limit for all debt deductions is 25 per cent of the claimant's universal credit standard allowance. This will go down to 15 per cent from April 2025.

National living wage and minimum wage

From 1 April 2025 the national living wage will increase to **£12.21 per hour** (previously £11.44 per hour) for those aged 21 or over.

The national minimum wage, for younger people, will increase to:

- £10.00 per hour (previously £8.60 per hour) for 18 to 20-year-olds
- £7.55 per hour (previously £6.40 per hour) for those aged under 18 and apprentices.

However, many workers won't receive the full benefit of the increase in the minimum wage due to national insurance, tax, reductions in means tested benefits, and/or loss of support such as free school meals or prescriptions if on universal credit

For example, families on universal credit are only eligible for free school meals if the family's post-tax earnings are less than £7,400 a year. If earnings increase to above the threshold, entitlement to free school meals will be lost.

Carers allowance earnings uprating

From 7 April 2025 the carer's allowance 'weekly earnings limit' will increase significantly, going from £151 per week to £195.36 per week. The earnings limit will be set at the equivalent of 16 hours multiplied by the national living wage (i.e. $16 \times £12.21 = £195.36$ per week).

In future, the earnings limit will rise in line with the national living wage. Note that the earnings limit only applies to the carer, not their partner if they have one.



Following concern about the large numbers of carers who have inadvertently accrued overpayments, the Independent Review of Carers Allowance Overpayments will consider what further operational changes can be made to minimise the risk of future overpayments. The review is expected to deliver its findings and recommendations to ministers by summer 2025.

PIP reviews and medication

The personal independence payment (PIP) award review form (AR1) has been updated. A sample version of the form can be seen on [gov.uk](https://www.gov.uk). One of the changes is that the section of the form asking about medication has been expanded, and now includes questions about whether claimants take each medication as prescribed, as well as space to write about how each medication affects them. It's important for PIP claimants to explain about side effects from their medications, and to also explain if they have difficulty taking medication as prescribed or if they find it ineffective.

If a PIP applicant isn't taking medication that is commonly prescribed for their condition, sometimes PIP assessors or decision makers infer that their condition doesn't seriously affect them. It could be worthwhile explaining on the form if they have previously tried a medication but found it ineffective, or had to stop taking it because of side effects, or if they can't take a commonly used medication because of contraindications. This can be explained in the 'further information' section of the form.



No Phishing

Individuals claiming to be from DWP have been making fraudulent cold calls, telling people that they may be eligible for pension credit and subsequently phishing for further personal information or seeking payment from awards. Additionally, there have been scam messages in circulation with the same intentions, some linked to Winter Fuel Payment changes. DWP have confirmed that they are investigating this and they would never cold call customers inviting them to claim pension credit. They only make outbound calls to customers if they need further information in support of a claim already made.

The safest response in that situation is to put the phone down and call the DWP's Pension Credit Enquiry Line on 0800 99 1234 and ask if the DWP are genuinely seeking extra information. You can report suspicious messages to [Action Fraud](#)

Did you know?

Benefit claimants can [request proof of entitlement online](#), directly from the DWP if they are getting any of these benefits:

- employment and support allowance
- income support
- jobseeker's allowance
- pension credit
- state pension

All they need is their national insurance number. As yet, this online service isn't available for any other benefit.

Money Advice Unit cake sale raises £345 for Macmillan



Many thanks to everyone who bought cakes or donated money to Macmillan following the Money Advice Unit's hugely successful cake sale in Farnham House canteen. The event raised almost 150 per cent of the £250 target - £345 in fact – and next year, the team promises to make even more cakes because the demand was so great!

The MAU works in partnership with Macmillan to provide an in-depth benefits advice service to people affected by cancer. From relatively small beginnings in 2017 to where we are now, the team of advisers have raised an amazing £52 million in extra benefits for people across Hertfordshire who are affected by cancer – as patients, as partners, as carers. In reality, the figure is probably even higher because much of the benefit awarded carries on into future years. The team can be contacted on **01438 843456** or via macmillan.benefitsadvice@hertfordshire.gov.uk

Age UK offers Winter Welfare Visits

[Age UK Hertfordshire](#) is supporting older and/or vulnerable people to keep warm this winter by providing Winter Welfare Visits. Support is delivered via their 'handyperson' service and they can help with the following:

- Provide and install radiator reflector strips to maximise heat dispersion
- Provide and install draught excluders for doors and windows to reduce heat loss
- Provide and install energy efficient bulbs and night lights
- Provide an electric blanket or a winter duvet (single size only)
- Provide a Warm in Winter bag
- Help to take meter readings and set heating timings and thermostats (please note that we are unable to help with any central heating related issues as this will require a gas-safe engineer and/or an appropriate tradesman).
- Hang winter curtains (already owned or purchased by client)

This is a fully funded project by Hertfordshire County Council and the ICS and is therefore free of charge. To make a referral, use Age UK's [online form](#).

Saving and spending

Community RePaint

Hertfordshire County Council runs the [Community RePaint](#) scheme at the Household Waste Recycling Centres in Ware, Welwyn Garden City and Harpenden. Hertfordshire residents can drop off (usable) leftover paint, and can also pick up paint for free. Both full and part-full containers of paint are available to collect for free, for use in home redecoration and community projects.



Stop loan sharks – translated materials

Loan sharks often prey upon people who are new to the UK, or who don't have access to mainstream finance or who have insecure employment, immigration status or housing. Illegal lenders may come from the host community or from within the migrant community itself.

Stop Loan Sharks now has resources translated into 20 different languages.

Organisations that would like to access the resources in different languages can email press@stoploansharks.co.uk or download the posters from [Stoploansharks](#)

Anyone affected by illegal money lending can call the Stop Loan Sharks 24/7 Helpline on **0300 555 2222** or access support online or via live chat at www.stoploansharks.co.uk.

TV licence help

The increase in pension credit take up, prompted by the winter fuel payment changes, means that more people qualify for free TV licences. People aged 75 or over qualify for a free TV licence if they, or their partner living at the same address, receive pension credit. Claimants can apply for a free TV licence on the [TV Licensing website](#), or phone **0300 790 6117** if unable to apply online. 74 year olds who receive pension credit can make an advance application, to get the free licence from their 75th birthday. People who have been paying for a licence when they were entitled to a free one may be able to get a refund.

Gambling

[GambleAware](#) reports that about 13 per cent of British adults (nearly seven million people) are experiencing some level of gambling problems.

This can lead to harms including financial troubles, breakdown of relationships, and severe consequences for mental and physical health. Stigma around gambling means that people who have difficulty with gambling may find it difficult to access support. The GambleAware website includes resources and tools for individuals and professionals, a live chat service and 24/7 helpline **0808 8020 133**.

MAU case study: Financial Inclusion Project

Since summer 2023, and possibly only until March 2025, the MAU has run a Financial Inclusion Project. The aim is to help people with their basic budgeting skills – it is not ‘debt advice’ – and it has helped a number of care-leavers, people with mental health problems and other members of the public who have used the MAU.



Mr P is a 60-year-old single man living in a supported living bedsit. He was referred to Financial Inclusion Project due to problems with energy bills, credit cards, catalogues, and his client contribution for care needs. Bailiffs had attempted to enter his property. His mental health deteriorated, and he experienced anxiety and suicidal thoughts.

Due to his disabilities, Mr P was unable to leave his flat, which he described as feeling like a prison. He has no family or other support options apart from his carers.

Mr P's main priority was to clear his debt and learn to budget better to avoid future debt. Our adviser quickly learnt that he didn't have enough money to pay his electricity bill or care costs, and it became clear that P was not tracking or prioritising his spending.

We firstly looked at maximising his income, as he was not getting the personal independence payment (PIP) mobility element. We helped him with applying for a review of PIP due to his increased mobility difficulties.

Secondly, whilst we are not able to provide debt advice, we did provide Mr P with debt template letters, and signposted him to free debt agencies.

We then initiated a conversation with the energy provider who gave options for Mr P. We completed an income and expenditure form together, and supported him with phone calls to come to an arrangement with managing his debt, switch to a cheaper tariff, and set up a direct debit.

Finally, we provided Mr P with a simple budget plan that he could follow and adapt as his circumstances changed. This plan focused on priority bills, other essential costs, and savings pots for emergencies and any future big spends. Provision was made for his care costs so that he could have peace of mind that he can pay for them when they are re-instated.

The result is that Mr P is now equipped with tools to help him manage his money and address his current debt, giving him some peace of mind and control over his finances. He has a template to follow, which will help him live within his means and pay all his bills. He told us that he already feels much better. We are still waiting for the result of his PIP review, as he is keen to get a mobility scooter to regain his independence and get out and about again.

Query from the MAU advice line

Every working day, the Money Advice Unit answers benefits queries from statutory and voluntary organisations on our advice line on **01438 843444** (9.30 am - 12.30 pm) or by email at moneyadvice.unit@hertfordshire.gov.uk This advice line is for professionals only.



Question

A lone parent was shocked to receive a substantial council tax bill after she transferred from income-related employment and support allowance (IRESA) to universal credit. She now has to pay about £80 per month council tax, when previously she didn't have to pay any council tax at all. Can this be right? Her son is 17 and gets personal independence payment.

Answer

Unfortunately, some claimants do have to start paying council tax, or pay more council tax than they did previously, after migrating from legacy benefits to universal credit. People receiving IRESA are passported to full council tax support, but universal credit claimants are not passported to full council tax support in the same way. Each local authority has different council tax support rules. Depending on their circumstances, and which local authority area they live in, universal credit claimants may receive anywhere from full council tax support to zero council tax support.

In order to check whether this particular claimant is getting the right amount of council tax support and universal credit, we'll need more information about her income and circumstances, and which local authority area she lives in.

It's important to consider entitlement to non-means-tested council tax discounts and reductions, several of which could be relevant here. As the only adult in the household, this claimant should ensure a sole occupancy discount is in place. If her son gets the daily living component of personal independence payment, when he turns 18 she can apply for a carer discount on council tax. After he turns 18 it's worth making sure that the appropriate student / school leaver exemption is applied to the council tax bill. If he has a learning disability, they may qualify for a 'severe mental impairment' council tax disregard, and if extra space is needed in the home because of a disability, a disability reduction could reduce council tax to a lower band.

For more information about means-tested council tax support, and about non-means-tested discounts and how to apply, see the relevant local authority website.

If the parent still struggles to afford to pay her council tax after these checks have been made, she could apply to the local authority for a discretionary council tax support payment.

