Universal Credit migration for terminally ill parents Briefing for Parliamentarians, May 2024

Summary

- More than one in four (28%) working age people who are dying experienced poverty in the year before their death, and as many as two thirds of people with a terminal illness rely on benefits as their sole or main income.
- It's therefore vital that people with a terminal illness are able to get the benefits they are entitled to quickly and easily, enabling them to spend the last months of life focusing on what really matters – making memories with their families and loved ones, living as well as they can for as long as they are able.
- The Department for Work and Pensions (DWP) is proposing to migrate 500,000 claimants of a range of legacy benefits to Universal Credit over the Summer of 2024. This will include those currently claiming Employment and Support Allowance (Income Based) with Child Tax Credit (ESA with CTC) – some of whom will be working-age terminally ill claimants with children.
- One in five people on Tax Credits who were invited to move to Universal Credit (UC) did not then claim UC and had their benefits stopped, according to a report by the National Audit Office (NAO). The NAO reported that "*DWP does not fully understand why some people on legacy benefits do not claim UC*".
- For somebody with a terminal illness, engaging with the migration to universal credit may be impossible due to ill health, understandably might not be a priority at a time of significant stress, or they may assume that as they are subject to special rules around benefits claims that migration notices do not apply to them.
- The planned migration of ESA with CTC claimants to Universal Credit in Summer 2024 therefore risks stopping benefits for terminally ill parents. Marie Curie believes that it would be unacceptable for a claimant with a terminal illness to have their benefits stopped, possibly leaving a family without their principle source of income, in the final months of their life.
- The support process in place to ensure vulnerable claimants – like those with a terminal illness- to make a claim for Universal Credit is not adequate, and the DWP have no plans in place to proactively identify this extremely vulnerable group.
- Marie Curie believes that nobody with a terminal illness should be left without the benefits they are entitled to at the end of their life because of the migration of claimants to Universal Credit.

Financial insecurity at the end of life

People approaching the end of their lives should be able to spend the last months and years of life focusing on what really matters – making memories with their families and loved ones, living as well as they can for as long as they are able. For too many people in

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the UK, however, the last stage of their lives is spent worrying about how to make ends meet, forced to make impossible choices about whether to eat or heat their homes, struggling to pay bills and incurring debts that will be passed onto their loved ones when they are gone.

In the latest year for which figures are available (2019), **more than 90,000 people died in poverty in the UK**. And poverty at the end of life is most acute among working age people– **more than one in four (28%) working age people who are dying experienced poverty in the year before their death.**

It's therefore vital that people with a terminal illness are able to get the benefits they are entitled to quickly and easily. That's why, following extensive campaigning by charities like Marie Curie and the Motor Neurone Disease Association, the UK Government in 2021 amended "the Special Rules for Terminal Illness" - to enable people likely to have less than 12 months to live to make fast-tracked claims for certain benefits.

What is the planned change and who will be impacted?

The Department for Work and Pensions is now however proposing to migrate 500,000 claimants of a range of legacy benefits to Universal Credit from April to September 2024. This will include those currently claiming Employment and Support Allowance (Income Based) with Child Tax Credit (ESA with CTC).

Those claiming ESA with CTC will either be a single parent who is too ill to work, or a couple where either or both are too ill to work, or where one is a carer for the other who is seriously ill or disabled. All of course will have children. **Most concerningly to Marie Curie, this will include some working-age terminally ill claimants with children.**

ESA with CTC claimants will be sent mandatory migration notices between July and September 2024. In total around 90,000 ESA (income based) claimants are expected to receive migration notices. They will have a 3 month period to respond to this migration notice to make a claim for Universal Credit (UC). **If they do not make a claim there is a risk that their legacy benefits will stop without any replacement benefit being paid.**

What are the issues with managed migration?

A report from the National Audit Office (NAO) in February 2024 highlighted that more people than expected were not claiming Universal Credit after being sent a migration notice - by December 2023, of the 148,700 households (almost all single people claiming tax credits only) who had been through managed migration and had their legacy claims closed, 31,500 (21%) had not claimed Universal Credit.

The NAO reported that "DWP does not fully understand why some people on legacy benefits do not claim UC". In 2022, DWP commissioned Ipsos to conduct qualitative research with 30 claimants to understand their experiences and why some had not claimed UC. It identified real and perceived barriers to claiming UC, including where people believed that the migration notice did not apply to them, that they would not be eligible for UC due to a recent change in circumstances, or that they would be moved automatically. The Public Accounts Committee (PAC) reported that the median value of the Tax Credits received by people who had not claimed UC was £3,200 per year[1].

[1] Progress in implementing Universal Credit (parliament.uk)

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Child Poverty Action Group's (CPAG) research and monitoring has also highlighted the challenges of unclear or misleading claimant communications, a lack of support for vulnerable claimants, and deferred claimants receiving migration notices and refused being refused cancellations. They highlight that the DWP's own guidance highlights that the migration of claimants who are terminally ill should be deferred in "until a process is designed to include them", but there have been several reports of migration notices being sent to claimants whom the DWP already knows to be terminally ill – for example, because they have provided an SR1 form when claiming PIP. When CPAG raised this with the DWP, they confirmed that they were not systematically using information from PIP claims to exclude terminally ill claimants from receiving a migration notice, although they would cancel those notices on request if necessary. This approach puts the onus on terminally ill claimants and their support network to find out about the option for deferral and request it.

The House of Commons Public Accounts Committee has also raised concerns about the migration, highlighting that many vulnerable people risk falling into financial hardship if the proportion of legacy benefit claimants not switching to Universal Credit remains at its current level. The committee also found that the Department's in-house support for claimants moving to Universal Credit has so far been limited, particularly face-to-face provision, and will need to improve as more vulnerable claimants move from its legacy benefits; and that the DWP is reducing its grant funding for the external Help to Claim service at the same time as more claimants will need advice and support to move from legacy benefits to Universal Credit.

How will the DWP identify and support vulnerable claimants?

The DWP say that there will be a support process in place to ensure vulnerable claimants – like those with a terminal illness- do make a claim for Universal Credit – including a reminder letter, follow up call, and possibly a referral for a visit in the absence of contact. However, we believe the follow factors have not been adequately considered:

1. **If attempts to offer support fail, then benefits may be terminated and claimants left without support.** Indeed, the National Audit Office found that one in five people who were invited to move to UC did not then make a claim and had their benefits stopped.
2. **The DWP are unable to identify terminally ill claimants on their systems** – meaning additional support for this group can only be offered after they have already engaged with the migration process. Many may not do so.
3. **Those who are terminally ill are for good reason not expected to engage with the jobcentre.** Research has shown that two if the key reasons why people failed to claim UC were that they believed the migration notice wouldn't apply to them or that they would be moved automatically. It might reasonably be expected that some of this group more than any other may believe the above.
4. **This is an exceptionally vulnerable group – dying parents – who are likely to often be single parents, and undoubtedly have a huge number of other challenges in their lives**. Many may find it impossible to engage with the UC claim process. The enhanced support process needs testing much more thoroughly before such a vulnerable group are put through the process of transferring to UC.

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Why is this change being made now?

ESA claimants without a claim for child tax credit were not due to be migrated until 2028 (however, the DWP has recently announced its intention to bring this deadline forward, with a new target of all migration notices being send out by the end of December 2025). The reason for targeting ESA with CTC claimants had been that HMRC want to close the tax credit office which administers tax credit claims. **The fact that the tax credit office is intended to close in April 2025 would put a hard stop to any continued tax credit payments – regardless of whether DWP had been able to identify and support people to make a new claim for UC.**

The DWP's guidance states that the migration of terminally ill claimants was to be deferred 'until a process is designed to include them that is appropriate in their circumstances'. **We do not believe this condition has been met.** Given that the DWP are unable at present to identify terminally ill claimants prior to them engaging with the migration process, and that they cannot guarantee that benefit payments will continue without engagement from claimants, **we believe the mandatory migration of terminally ill parents is an unacceptable risk to the finances of people in the most vulnerable of circumstances. Many dying parents and their children may be left without their principle source of income in the final months of their life.**

What do we propose happens for terminally ill ESA with CTC claimants?

We believe that the mandatory migration of terminally ill claimants should be postponed. This could be done by either (1) postponing the migration for all ESA claimants in the support group, or (2) postponing the mandatory migration just for those who had made a claim for ESA under the special rules for terminal illness.

This would mean (1) a smaller number of terminally ill claimants would migrate from ESA to UC, since new claims are for UC and (2) it would give time for DWP to focus on developing a process by which they can proactively identify terminally ill claimants in order to offer them the high level support that they need to claim all benefits they are entitled to.

If the migration proceeds as planned, it should be guaranteed that no legacy claims would be stopped as a result of DWP being unable to contact claimants. In order to ensure this can happen a plan should be in place to keep the Tax Credit Office open beyond April 2025 in order to ensure that legacy claims can continue to be administered.

Questions for the Minister:

- Marie Curie has raised concerns that the managed migration of Employment and Support Allowance (Income Based) with Child Tax Credit claimants to Universal Credit in Summer 2024 risks stopping benefits for terminally ill parents. Has the Department for Work and Pensions made any estimate of the number of claimants who will fall into that category, and what steps will the department be taking to proactively identify and support those terminally ill parents to make a claim for Universal Credit?
- Marie Curie has highlighted that for a parent with a terminal illness, engaging with the managed migration to universal credit may simply be too much for them, or understandably not be a priority at a time when they focusing on what really matters – making memories with their families and living as well as they can for as long as they are able. Does the Minister agree that it would unacceptable for a claimant in that

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position to have their benefits stopped, possibly leaving a family without their principle source of income in the final months of their life?

- Marie Curie has demonstrated that those who are terminally ill are an exceptionally vulnerable group, and campaigned over a number of years to ensure that people with a terminal illness are able to get the benefits they are entitled to quickly and easily. Will the Minister therefore agree to meet with me and representatives from Marie Curie to discuss how we can ensure that through the migration of ESA with CTC claimants to Universal Credit, no terminally ill person is left without the benefits they are entitled to at the end of their life?

About Marie Curie

Marie Curie is the leader in end of life experience in the UK. We work hard to provide a better life for people living with a terminal illness and their families. We offer expert care across the UK in people's own homes and in our nine hospices. Last year, we supported more than 50,000 people across the UK at the end of their lives. Our free information and support services give expert care, guidance and support to families so they can have something that really matters to them – time to create special moments together. We are the largest charitable funder of palliative and end of life care research in the UK and campaign inside and outside Parliament for the policy changes needed to deliver the best possible end of life experience for all.

For more information, please contact: parliament@mariecurie.org.uk.

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