

Proposed reduction to Benefit Cap: outside London

The Government are planning to reduce the total amount of 'welfare' a household can receive ie the Benefit Cap from £500 to £384.62/week in total for couple and lone parent households (or from £2,167 to £1,666.67/month for Universal Credit claimants). And for single adults without children, the Cap will reduce from £350 a week to £257.69/week (or from £1,517 to £1,116.67/month for Universal Credit claimants). The Cap will be higher for those living in Greater London.

'Welfare' in this context includes benefits such as Bereavement Allowance, Child Benefit, Child Tax Credit, Employment and Support Allowance (not support group), Housing Benefit (not for 'specified accommodation'), Income Support, Jobseekers Allowance, Maternity Allowance, Widowed Parents Allowance, Universal Credit but does **NOT** include Council Tax Support, DHPs or Statutory Sick / Maternity / Paternity / Adoption Pay.

The table below is a **rough guide** to the people who may be affected by the reduction in the Cap amount. It assumes:

- Benefit rates are for 2015/16, and
- There is no income from part-time earnings.

Note that the following people are excluded from the Benefit Cap:

- Claimant or partner is Pension Credit age (unless on Universal Credit), or
- Claimant or partner entitled to Working Tax Credit (even if this is a nil award due to income); or on Universal Credit and earnings are £430 net or more for the month which is being assessed, or
- Claimant or partner on Employment and Support Allowance in the *support* group; or gets a Limited Capacity for Work Related Activities element in their assessment of Universal Credit, or
- Adult or dependent child is on Disability Living Allowance / Personal Independence Payment / AFIP / AA, or
- Claimant or partner is on an Industrial Injury Benefit (ie: industrial injuries disablement benefit, reduced earnings allowance, industrial death benefit and equivalent payments made as part of a war pension or the Armed Forces Compensation Scheme), or
- Claimant or partner is in receipt of war widows/widowers pension.
- TO BE ADDED (date as yet unknown) those on Carers Allowance / Guardians Allowance.

For people on Housing Benefit, the Cap is imposed by reducing the claimant's HB only (so a jobseeking couple with 4 children will still get £400.98 a week benefits plus 50p/week HB). But for people on Universal Credit it is the whole award that is reduced (so the same family gets no more than £384.62 a week or £1666.67 a month total 'welfare').

Family Make Up	Total amount of benefits less HB*	HB cannot be above	Total amount of benefits less UC#	UC cannot be above
LCW – limited capacity for work	* Assumes this is only IS/IB-JSA/IR-ESA, Child Benefit and CTC; Weekly figures		#Assumes this is only Child Benefit Monthly figures	
Single under 25	£57.90	£199.79	nil	£1,116.67
Single 25+	£73.10	£184.59	nil	£1,116.67
One child	£157.75	£226.87	£89.70	£1,576.97
Two children	£224.90	£159.72	£149.07	£1,517.60
Three children	£292.07	£92.55	£208.43	£1,458.24
Four children	£359.23	£25.39	£267.80	£1,398.87
Five children	£426.39	£0.50p	£327.17	£1,339.50
Six children	£493.55	£0.50p	£386.53	£1,280.14
Single with LCW	£102.15	£155.54	nil	£1,116.67
One child	£187.79	£196.83	£89.70	£1,576.97
Two children	£253.95	£130.67	£149.07	£1,517.60
Three children	£321.12	£63.50	£208.43	£1,458.24
Four children	£388.28	£0.50p	£267.80	£1,398.87
Five children	£455.44	£0.50p	£327.17	£1,339.50
Six children	£522.60	£0.50p	£386.53	£1,280.14
Couple	£114.85	£269.77	nil	£1,666.67
One child	£199.49	£185.13	£89.70	£1,576.97
Two children	£266.65	£117.97	£149.07	£1,517.60
Three children	£333.82	£50.80	£208.43	£1,458.24
Four children	£400.98	£0.50p	£267.80	£1,398.87
Five children	£468.14	£0.50p	£327.17	£1,339.50
Six children	£535.30	£0.50p	£386.53	£1,280.14
Couple one or both LCW	£143.90	£240.72	nil	£1,666.67
One child	£228.54	£156.08	£89.70	£1,576.97
Two children	£295.70	£88.92	£149.07	£1,517.60
Three children	£362.87	£21.75	£208.43	£1,458.24
Four children	£430.03	£0.50p	£267.80	£1,398.87
Five children	£497.19	£0.50p	£327.17	£1,339.50
Six children	£564.35	£0.50p	£386.53	£1,280.14