

Factsheet B3: Main Benefit Changes announced from 2017

Universal Credit

The government announced in January 2019 that they will not extend the two-child limit on Universal Credit for children born before April 2017, which was due to come into place from February 2019. All children born before April 2017 will continue to be supported by Universal Credit. They also said they are working on:

- pilot schemes to provide more frequent payments for new claimants
- a new online system for private landlords, and
- a more flexible approach to childcare provisions.

Pension Credit

The government has announced that from 15th May 2019 they are changing the rules for couples who jointly claim Pension Credit. At the moment couples can make a joint claim when the older partner reaches State Pension age. From May, this can only happen once the younger partner reaches State Pension age. Couples already receiving Pension Credit will not be affected.

Changes announced in the October 2018 Budget

Universal Credit

- From April 2019 the Work Allowance (the amount that people can earn before their Universal Credit award begins to be reduced and eventually withdrawn) is being increased by £1,000 per annum. The government takes 63p away from every £1 you earn over the Work Allowance, so this means that people can keep an extra £630 of income per year



- From July 2020 anyone currently on Jobseekers Allowance, Income Support or Employment & Support Allowance who is moved over to Universal Credit will be given a two-week extension to their current benefit payments, providing an additional fortnight's worth of support. This is not deducted from future Universal Credit payments
- From July 2019-September 2019 there will be an increase to the 12-month period that is allowed when someone becomes self-employed, to allow them time to develop their business to a sustainable level – they won't have to show that they have the equivalent income of someone working 35-hours per week at minimum wage until the end of that period
- From October 2019 the deductions that can be made from Universal Credit awards for repayment of debts will be at a maximum of 30% of their standard allowance – rather than the current 40%
- From October 2021 the period over which advances of benefit will have to be repaid will be increased from 12 months to 16 months
- Transitional protection (which means that your existing benefit payments will not be reduced when you first move onto Universal Credit) was previously announced, but this budget has provided funding for it. It also provides funding for extended support to non-parental carers and adopters in tax credits and Universal Credit, and enhanced protection to people currently getting the Severe Disability Premium
- From July 2019 the rollout of Universal Credit to people currently on Income Support, Jobseekers Allowance and Employment & Support Allowance will go ahead, but initially this will only be for a pilot group of 10,000 claimants. They expect the transfer of people onto Universal Credit won't be complete until December 2023.



The Secretary of State for Work and Pensions, Esther McVey, has also confirmed in a statement to Parliament on 5th November introducing the draft Universal Credit (Managed Migration) Regulations 2018, that:

- they will protect 500,000 people's severe disability premium at the point of migration over to Universal Credit, and deliver transitional protection for those who are moved to ensure that, at the point of moving, their entitlements are protected
- They have also extended the minimum statutory notice period for people moving over to Universal Credit – this period is now a minimum of three months to allow claimants maximum time to prepare and make their claim before their legacy award expires. Alongside this, she said they have unlimited flexibility to extend claim periods for people who need it, and they will backdate for any claimant who has missed the deadline date (but has made a claim within a month of the deadline day passing)
- The timing of the start of the 'managed migration' period (in other words the start of most people on current benefits being moved over to Universal Credit) was clarified. She said that for a year from next July (2019) 'there will be a trial period or test period, working with 10,000 claimants to see exactly the way in which it should be done—for example, should it be done for the most vulnerable groups or should it be done geographically?—and to make sure that we get it right'
- She also said that they would do a 'manual workaround' where people have a pay date that coincides with their claim date (which under the automated system means they get no money at all in two months of the year) so that people are not left without benefit.



Housing Benefit

- People on Pension Credit will continue getting rent support from Housing Benefit for another 3 years. After that, Housing Benefit will stop and rent support will be paid as a housing element within Pension Credit itself
- Funding will continue to be made available for people in supported housing
- The automatic entitlement to housing support for 18 to 21 year-olds is being reinstated. This was first announced in March 2018, and means that this group of people will be able to claim support for housing costs under Universal Credit.

Parental Bereavement

There will be a new statutory entitlement from April 2020 to two weeks' leave for any employee who suffers the death of a child under 18, or a stillbirth after 24 weeks of pregnancy.

Previous changes to Universal Credit

- From December 2017, Live Service areas will cease starting new claims for Universal Credit.
- From December 2017, any claimant who is in private rented accommodation and has their current Housing Benefit paid directly to their landlord can opt for the housing element of Universal credit to continue to be paid to their landlord.
- January 2018 there will be an increase in the total advance that new claimants can request – it will increase from 50% to 100% of expected future payment, and the time given to repay this will be increased from 6 months to 1 year.



- From February 2018 the 7-day waiting period where no benefit is payable will be abolished. This means that it will take 1 calendar month plus 7 days for first payments to be made.
- From April 2018 anyone currently receiving Housing Benefit will receive an additional two-weeks of support at the time of transfer to Universal Credit, to help ensure that they don't automatically go into arrears with their landlord.

Please check our Universal Credit page for more detailed information.

Income Tax

The tax-free personal allowance changed to £11,850 from April 2018. The October 2018 Budget announced that it will change to £12,500 from April 2019.

National Living Wage

This increases to £8.21 an hour in April 2019. See our Factsheet on Help at Work for more details.

Benefit Cap

There's a limit on the total amount of benefit that most people aged 16 to 64 can get. This is called the benefit cap. It means the amount of money you get when all of your benefits are added up will be reduced to make sure the total isn't more than the cap amount.

You are exempt from the benefit cap (in other words it does not apply to you) if you receive any rate of Disability Living Allowance (DLA) or Personal Independence Payment (PIP), or if a child who lives with you receives one of



those benefits. You are also exempt if you are in the Support Group for Employment & Support Allowance (ESA).

Once they are aged 16 or above, if a disabled child leaves education, turns 20 or claims benefits such as ESA in their own right, they stop being treated as a dependent. If you have been exempt from the benefit cap, this may change when they are not your dependent. The Government has said it intends to change the benefit cap rules so that you are also exempt if you are entitled to Carer's Allowance, or get a carer element in your Universal Credit, because they recognise that parents still care for a disabled young person even when they are not classed as a dependent.

You're not affected by the cap if you or your partner work, and either get Working Tax Credit, or Universal Credit and your household income is more than £430 a month after tax and National Insurance.

If you live outside Greater London, the cap is:

- £1,666.67 per month (£20,000 a year) if you're in a couple, whether your children live with you or not, or if you are single and your children live with you
- £1,116.67 per month (£13,400 a year) if you're single and you do not have children, or your children do not live with you

If you live in Greater London, the cap is:

- £1,916.67 per month (£23,000 a year) if you're in a couple, whether your children live with you or not, or if you are single and your children live with you
- £1,284.17 per month (£15,410 a year) if you're single and you do not have children, or your children do not live with you.



Tax Credits and support for children

Changes from 6 April 2017:

The child element of Child Tax Credit will no longer be payable for any third or subsequent children born on or after 6 April 2017.

There are exceptions to this, for example if:

- you have a multiple birth
- you're caring for a child or children who would otherwise be looked after by the local authority
- a child you're responsible for has a child of their own
- you're adopting a child from local authority care
- a child was conceived as a result of non-consensual sex

For a child or children born before 6 April 2017 there is **no change**. You'll still be paid the childcare element of Working Tax Credit and the disability element of Child Tax Credit for all children if eligible.

To ensure you don't miss out on what you're entitled to, you must still report the birth of a child and any changes.

See our Factsheets on changes in earlier years, and also on individual benefits for more information.

If you require further information or would like this Factsheet in an alternative format you can contact us by calling: 01508 491210, by emailing: info@equallives.org.uk, or by writing to: Equal Lives, 15 Manor Farm Barns, Fox Road, Framingham Pigot, Norfolk, NR14 7PZ.

