



BRIEFING PAPER

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Benefits Uprating 2019

By Roderick McInnes

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Summary

This note sets out the main benefit and tax credit rates for the 2019/20 financial year.

For the fourth year in a row, most working-age benefits are being kept at their 2015/16 cash value. This is the final year of the **four-year benefit freeze** announced at Summer Budget 2015.

Increases in benefits aimed specifically at disabled people and carers will continue to be linked to **CPI inflation**, resulting in a **2.4%** increase in 2019/20.

The **Basic** and **New State Pensions** will be uprated in line with the '**triple lock**' that was introduced in 2012/13, i.e. by the highest of the increase in earnings, price inflation (as measured by the CPI) or 2.5%. For the purposes of the 2019/20 uprating, **earnings growth (+2.6%)** was the highest of these three benchmarks, meaning that:

- the **New State Pension** (for those reaching State Pension age on or after 6 April 2016) will be **£168.60** per week in 2019/20 (up from £164.35 in 2018/19)
- the **Basic State Pension** (the core amount in the old State Pension system) will be **£129.20** per week in 2019/20 (up from £125.95 in 2018/19).

Pension Credit Guarantee Credit is required to increase at least in line with earnings; in 2019/20 it will also rise by 2.6%.

Work Allowances in **Universal Credit** (the earnings threshold above which Universal Credit awards begin to be tapered down) are receiving an extra £1,000 increase (on top of normal CPI uprating). This was announced at Budget 2018.

This is an updated version of the briefing originally published on 5 December 2018. The briefing now includes a revised estimate of total savings achieved by the four-year freeze (see page 6).

1. Uprating policy

1.1 Introduction

The uprating of social security benefit rates from April each year is normally based on inflation in the preceding September.

For the years 2016/17 to 2019/20 inclusive, most working-age benefits are frozen.

Since 2011 the inflation measure used by default is the **Consumer Prices Index (CPI)**. Previously, the default indexation benchmarks were:

- the Retail Prices Index (RPI) for pensions and other non-means-tested benefits;
- the 'Rossi' index for means-tested benefits.¹

The Guarantee Credit in Pension Credit by law must be increased at least in line with the average annual earnings rise across the whole economy. This means that it will rise by at least 2.6% this year.

This year the relevant factors for uprating are:

- **CPI** 12 months to September 2018. **+2.4%**
- **Average Weekly Earnings** to year ending July 2018.² **+2.6%**

¹ [Rossi index](#) is RPI minus certain housing costs (rents, mortgage interest payments, council tax and depreciation).

² There is no statutory definition of exactly how earnings growth is to be measured. Uprating provisions allow the Secretary of State to determine by how much prices and earnings have risen over the last year in "in such manner as he sees fit". The basis of earnings uprating for the Minimum Income Guarantee was set out in 2000 as follows:

Mr. Flynn: To ask the Secretary of State for Social Security what methods he uses to measure the annual increase in earnings for the purpose of uprating the minimum income guarantee. [124393]

Mr. Bayley: In line with the Government's commitment to provide security in retirement for the poorest pensioners, the minimum income guarantee has been increased by 4.6 per cent., in line with the increase in average earnings. This measure of earnings growth reflects the 12-month headline rate and is based on a three-month average up to July 1999, published in The Stationery Office's "Monthly Digest of Statistics". ([HC Deb 6 June 2000 c223W](#))

This figure was derived from the old Average Earnings Index ([Average Earnings Index](#)) which was discontinued as of July 2010. It has since been superseded by the Average Weekly Earnings series ([ONS data series KAC3](#)). In both cases the indicator used is the percentage change over the year to July in the 3-month average value of the whole economy earnings index (seasonally adjusted and including bonuses).

1.2 The four-year freeze

Most working-age benefits and tax credit elements are subject to a **four-year freeze**, covering the period 2016/17 to 2019/20. This follows a three-year period (2013/14-2015/16) when increases were limited to 1%.³

The four-year freeze was announced in the [2015 Summer Budget](#) and legislated for by the [Welfare Reform and Work Act 2016 \(section 11\)](#). The Government said that since 2008's financial crisis most benefits had risen by 21% compared to a rise in average earnings of 11% and that the freeze was necessary "*to ensure it always pays to work*".⁴

The four-year freeze keeps affected benefits and tax credit elements at the same cash amount as in 2015/16. The freeze does not include disability/carers benefits and premiums, statutory payments and the Support component of Employment and Support Allowance (payable to those with the severest work-limiting conditions).

The benefits that are frozen include:

- Jobseekers' Allowance
- ESA personal allowances and work-related activity component
- Income Support
- Child and Working Tax Credit (non-disability-related elements)
- Housing benefits: various allowances/premiums and LHA rates
- The equivalents of the above in Universal Credit
- Child Benefit

Benefits payable to working-age recipients that are not frozen include:

- Maternity Allowance
- Statutory Sick Pay
- Statutory Maternity, Paternity and Shared Parental Pay
- Statutory Adoption Pay
- Disability, carers and pensioner premiums
- Other disability, carers and pensioner benefits
- Employment and Support Allowance (ESA) Support component

The effect of the four-year freeze

If, instead of being frozen, benefits had been uprated in line with the September CPI rate, these payments would have been uprated by:

- **0.0%** in **2016/17** (CPI was -0.1% in the relevant period, so benefits would not have gone up anyway)
- **1.0%** in **2017/18**
- **3.0%** in **2018/19**
- **2.4%** in **2019/20**.

Cumulatively, if there had been no four-year freeze and affected benefits had been allowed to rise in line with CPI, affected benefits **would have risen by 6.5%** in nominal terms by 2019/20 compared with 2015/16.

Further Information

Our [Welfare Reform and Work Bill Briefing Paper](#) provides further information about the Bill that legislated the uprating freeze.

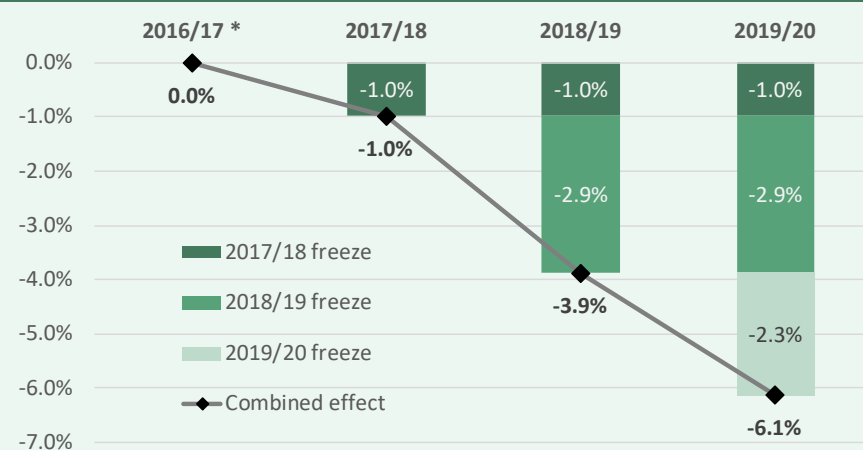
³ Announced at Budget 2013

⁴ [Summer Statement 2015 para 1.137](#)

The converse way of expressing this is that benefit/tax credit rates in 2019/20 **are worth 6.1% less** than if the freeze had not been introduced (see the chart below).

The four-year benefits freeze means that benefit amounts will be 6.1% lower in 2019/20 than if the freeze had not been introduced

Comparison of nominal value of uprateable benefit and tax credit rates with what they would have been in each year if subject to normal CPI indexation



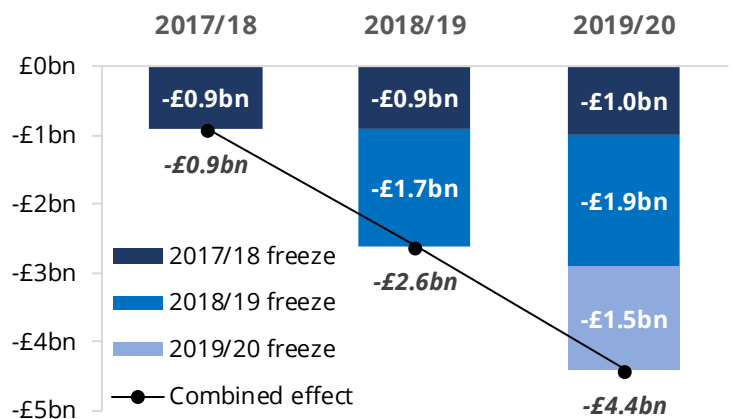
Source HoC Library calculation based on ONS Consumer Price Index.

* Note The first year of the freeze was 2016/17, but the relevant CPI uprating benchmark for 2016/17 was -0.1%, meaning that benefits would not have been uprated in that year anyway.

How much does the four-year freeze save the Exchequer?

The Resolution Foundation has estimated that the **fourth year of the freeze alone** saves the Exchequer **£1.5 billion** in 2019/20. This comes on top of £2.9 billion of savings resulting from years two and three of the freeze, meaning that the **total in-year saving in 2019/20 resulting from the four-year freeze is £4.4 billion** (compared with a counterfactual of CPI uprating over the whole period).⁵

Resolution Foundation estimates of government savings from the four-year freeze (nominal)



Source Resolution Foundation *The Living Standards Outlook 2019*

At the 2016 Budget the Treasury forecast that the four-year freeze would achieve an annual saving of £3.5 billion by 2019/20.⁶ The increase in the saving estimate for 2019/20 will in large part be due to CPI inflation for the period 2016-18 turning out higher than originally forecast in 2016.⁷

⁵ Resolution Foundation (20 February 2019) [The Living Standards Outlook 2019](#), page 20

⁶ HM Treasury, [Budget 2016](#), red book table 2.2 line as.

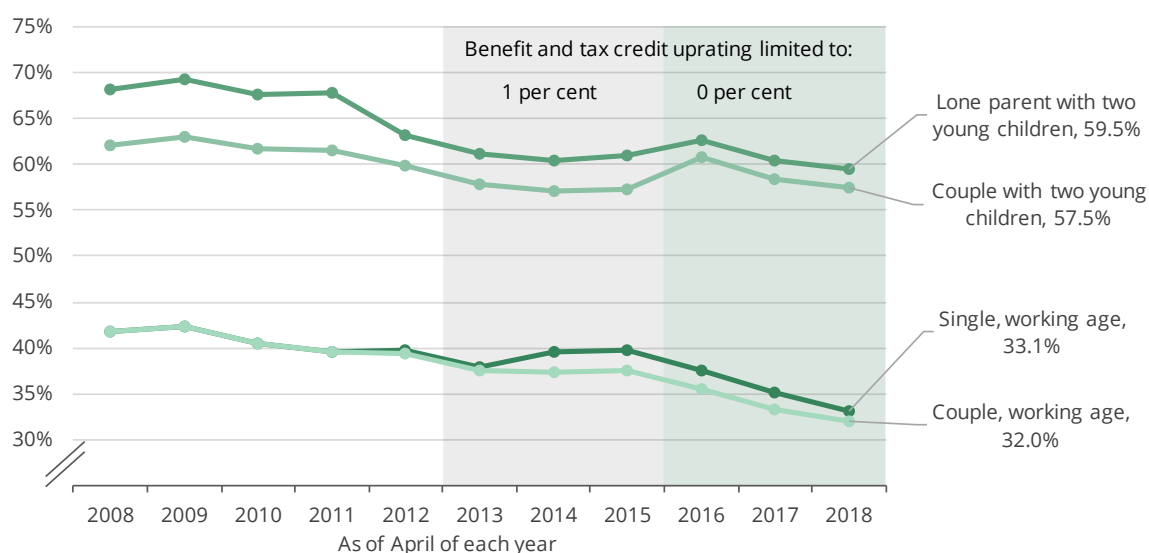
⁷ In its [March 2016 Economic and Fiscal Outlook](#) (table 4.1), the Office for Budget Responsibility forecast that CPI inflation for uprating purposes would be 0.6% for

What have limits on benefit uprating meant for income adequacy?

The Joseph Rowntree Foundation's [Minimum Income Standard](#) (MIS) is a measure of the income needed to afford an 'acceptable' minimum living standard in the UK, in terms of material essentials and social participation. The JRF assesses this by conducting research among members of the public. [For 2018, the sixth wave of the MIS study](#), the JRF assessed what percentage of the MIS for different family types was provided by the welfare 'safety net' (consisting of benefits and tax credits for workless claimants) over the decade 2008-2018.

During the period of blanket limits and freezes on working-age benefit and tax credit rates from 2013 onwards, the percentage of the MIS for working-age childless adults covered by benefits fell from around two-fifths in 2012 to a third in 2018. Safety net coverage also fell for families with two children over the same period but not as sharply: for a lone parent with two young children, the percentage was 63.2% in 2012 and 59.5% in 2018.

'Safety net' income provided by benefits and tax credits to workless working-age claimants, expressed as a percentage of the JRF's 'Minimum Income Standard'



Source: Joseph Rowntree Foundation (JRF) *A Minimum Income Standard for the UK 2008-2018: continuity and change* (July 2018) table 6.

Note: Minimum Income Standard is JRF's survey of what members of the public think is an acceptable minimum for UK households to be able to afford material needs (e.g. food, clothing, shelter) and to participate in society. Safety net income from benefits includes IS/JSA plus Child Tax Credit and Child Benefit minus the portion of rent and Council Tax costs not covered by Housing Benefit/Local Council Tax support. 'Two young children' here means children aged 4 and 7.

1.3 Household benefit cap

From April 2013, the amount of benefits and tax credits that a working-age workless household could receive was capped at £26,000 for a couple or lone parent household (£18,200 for childless single adults).

With effect from 7 November 2016 the cap was lowered to:

- £20,000 for couples and lone parents outside Greater London (£13,400 for single adults with no children) and to
- £23,000 for couples and lone parents in Greater London (£15,410 for single adults with no children).

The cap will remain at these levels in 2019/20.

2. Benefit rates

2.1 Old State Pension system

Basic State Pension

For 2019/20 the Basic State Pension will increase by **2.6%** in line with the 'triple lock', which from 2012/13 onwards has ensured that the Basic State Pension increases by the highest of the increase in earnings, price inflation (as measured by the CPI) or 2.5%. 2.6% was the increase in average earnings.

This will result in the single rate rising by £3.25 per week (from £125.95 to **£129.20**) and the married rate (on one spouse's contribution) by £5.20 per week (from £201.45 to **£206.65**).

Table 1a - THE BASIC STATE PENSION

£ per week, full amount

	Individual (on own contributions)			Couple (marriage or civil partnership) on one person's contributions		
	Award	Change on prev. year		Award	Change on prev. year	
		£ increase	%		£ increase	%
2000/01	67.50	+0.75	+1.1%	107.90	+1.20	+1.1%
2001/02	72.50	+5.00	+7.4%	115.90	+8.00	+7.4%
2002/03	75.50	+3.00	+4.1%	120.70	+4.80	+4.1%
2003/04	77.45	+1.95	+2.6%	123.80	+3.10	+2.6%
2004/05	79.60	+2.15	+2.8%	127.25	+3.45	+2.8%
2005/06	82.05	+2.45	+3.1%	131.20	+3.95	+3.1%
2006/07	84.25	+2.20	+2.7%	134.75	+3.55	+2.7%
2007/08	87.30	+3.05	+3.6%	139.60	+4.85	+3.6%
2008/09	90.70	+3.40	+3.9%	145.05	+5.45	+3.9%
2009/10	95.25	+4.55	+5.0%	152.30	+7.25	+5.0%
2010/11	97.65	+2.40	+2.5%	156.15	+3.85	+2.5%
2011/12	102.15	+4.50	+4.6%	163.35	+7.20	+4.6%
2012/13	107.45	+5.30	+5.2%	171.85	+8.50	+5.2%
2013/14	110.15	+2.70	+2.5%	176.15	+4.30	+2.5%
2014/15	113.10	+2.95	+2.7%	180.90	+4.75	+2.7%
2015/16	115.95	+2.85	+2.5%	185.45	+4.55	+2.5%
2016/17	119.30	+3.35	+2.9%	190.80	+5.35	+2.9%
2017/18	122.30	+3.00	+2.5%	195.60	+4.80	+2.5%
2018/19	125.95	+3.65	+3.0%	201.45	+5.85	+3.0%
2019/20	129.20	+3.25	+2.6%	206.65	+5.20	+2.6%

Source DWP, Proposed benefit and pension rates 2019 to 2020, Gov.uk

See **Table 3C**
for more data

Additional State Pension

On top of the Basic State Pension, the earnings-related Additional State Pension – consisting of State Second Pension (S2P) or its predecessor the State Earnings-Related Pension Scheme (SERPS) – is increased in line with the September 2018 CPI. This means that the Additional State Pension will increase by 2.4% for financial year 2019/20.

2.2 New State Pension system

The New State Pension is the single-tier successor to the two-tier Basic/Additional State Pension system. It was initially announced in the March 2012 Budget and a [White Paper](#) in January 2013 set out the details. The New State Pension was enacted by [Pensions Act 2014](#) and applies to those reaching State Pension Age **on or after 6 April 2016**. Pensioners who reached State Pension age before that date continue to receive State Pension under the old system.

The New State Pension was first set at £155.65 per week for 2016/17.⁸ The full amount is paid to pensioners who have at least 35 National Insurance qualifying years. People who have fewer than 35 qualifying years (but at least ten) receive a pro-rata amount of the full rate.

Under the new system, a comparison is made of an individual's rights accrued before 6 April 2016 under both the new and old system rules. If the individual's rights calculated under the old system are higher than the full NSP, then the difference between the two is added onto the NSP as a 'protected payment' – which ensures that the starting pension is not lower than the individual would have expected under the old-system rules.

For uprating purposes, the NSP and the protected payment are treated differently – the NSP is uprated by the triple-lock whereas the protected payment is uprated in line with CPI inflation.

For 2019/20 the New State Pension will increase by **2.6%** in line with the triple lock, resulting in an increase of £4.25 in the full NSP (from £164.35 to **£168.60**). Protected payments will increase by 2.4% (CPI).

Table 1b - THE NEW STATE PENSION

£ per week, full rate

	Individual (on own contributions)		
	Award	Change on prev. year	
		£ increase	%
2016/17	155.65	..	..
2017/18	159.55	+3.90	+2.5%
2018/19	164.35	+4.80	+3.0%
2019/20	168.60	+4.25	+2.6%

Source DWP, Proposed benefit and pension rates 2019 to 2020, Gov.uk

Further Information

Our [The new State Pension](#) research paper provides background to the new, single-tier State Pension.

2.3 Pension Credit Guarantee Credit

The 'standard minimum guarantee' provides a guaranteed minimum income for pensioners. Incomes below this level can be topped up to the minimum by means of Pension Credit Guarantee Credit.

The [Pensions Act 2007](#) requires the Government to increase the standard minimum guarantee at least by the increase in earnings. For

⁸ HM Treasury (27 Nov 2015), [Spending Review and Autumn Statement 2015](#).

the years **2011/12 to 2015/16** and **2018/19**, periods of relatively low earnings growth, earnings indexation would have meant that Guarantee Credit recipients failed to benefit from the underlying cash increase in the triple-locked Basic State Pension. As a result, the Government chose to 'pass through' the cash increase in the Basic State Pension to the Guarantee Credit, resulting in an above-earnings increase.⁹

In 2016/17 and 2017/18, the Guarantee Credit rose in line with earnings in the normal way.

For 2019/20 the Guarantee Credit will again rise in line with earnings (+**2.6%**). This means that the **single person's** minimum guarantee rises by £4.25 (from £163.00 to **£167.25** per week) and for **couples** the increase is £6.45 (from £248.80 to **£255.25** per week).

The table below shows the level of the pensioner income guarantee since 2000/01. The guarantee was age-related until 2000/01 but from April 2001 was simplified into one rate.

See **Table 3C**
for more data

Table 2 - PENSION CREDIT GUARANTEE CREDIT and predecessors (a)

Standard minimum guarantee, £ per week

	Single				Couple			
				%				%
	60-74	75-79	80+		60-74	75-79	80+	
				increase				increase
2000/01	78.45	80.85	86.05	+4.6%	121.95	125.35	131.05	+4.6%
2001/02		92.15		+14.0%		140.55		+12.1%
2002/03		98.15		+6.5%		149.80		+6.6%
2003/04		102.10		+4.0%		155.80		+4.0%
2004/05		105.45		+3.3%		160.95		+3.3%
2005/06		109.45		+3.8%		167.05		+3.8%
2006/07		114.05		+4.2%		174.05		+4.2%
2007/08		119.05		+4.4%		181.70		+4.4%
2008/09		124.05		+4.2%		189.35		+4.2%
2009/10		130.00		+4.8%		198.45		+4.8%
2010/11		132.60		+2.0%		202.40		+2.0%
2011/12		137.35		+3.6%		209.70		+3.6%
2012/13		142.70		+3.9%		217.90		+3.9%
2013/14		145.40		+1.9%		222.05		+1.9%
2014/15		148.35		+2.0%		226.50		+2.0%
2015/16		151.20		+1.9%		230.85		+1.9%
2016/17		155.60		+2.9%		237.55		+2.9%
2017/18		159.35		+2.4%		243.25		+2.4%
2018/19		163.00		+2.3%		248.80		+2.3%
2019/20		167.25		+2.6%		255.25		+2.6%

Source DWP, Proposed benefit and pension rates 2019 to 2020, Gov.uk

Note (a) from 2003/04 onwards: Pension Credit Guarantee Credit. For 1999/00 to 2002/03: Minimum Income Guarantee (MIG); before this (pre-1999), Income Support for pensioners.

Savings Credit

Pension Credit Savings Credit is payable to pensioners who reached State Pension age **before 6 April 2016** and who made extra provision towards their retirement (such as savings or an occupational pension) sufficient to raise their pension income above the Savings Credit threshold. The purpose of the Savings Credit was to ensure that the

⁹ For the 2018/19 pass-through, see HM Treasury [Autumn Budget 2017](#).

Pension Credit means-test did not eliminate the financial incentive to make additional personal pension savings. Savings Credit is not payable to people who reached State Pension age in the new State Pension system (on or after 6 April 2016).

The [2006 Pensions White Paper](#) stated that from 2008-09 onwards the Savings Credit threshold would rise in line with earnings.¹⁰

However, in order to finance above-earnings increases in the Guarantee Credit in 2011/12 to 2015/16 inclusive and in 2018/19 (described above) the Savings Credit threshold was increased by more than earnings in each of these years.¹¹ The threshold was also raised above the rise in average earnings in 2016/17.

In addition, after a freeze in 2011/12 the maximum award was cut in each year from 2012/13 to 2016/17.¹²

For **2019/20** the **threshold** will rise in line with **earnings (+2.6%)**:

- from £140.67 to **£144.38** per week for single persons;
- from £223.82 to **£229.67** per week for couples.

The **maximum award** payable through Savings Credit will rise in line with **CPI (+2.4%)**:

- from £13.40 to **£13.72** per week for single persons;
- from £14.99 to **£15.35** per week for couples.

2.4 Child Benefit

Child Benefit is administered by HM Revenue and Customs. There is no statutory requirement for Child Benefit to be increased, but the usual practice is to index it in line with inflation.

Child Benefit was frozen between 2010/11 and 2013/14, increased by 1% in both 2014/15 and 2015/16, and then frozen again (along with most other working age benefits) for four years between 2016/17 and 2019/20.

Since January 2013, Child Benefit has been clawed back from families where the highest earner has a gross annual income in excess of £50,000. If the family has someone earning £60,000 or more, 100% of Child Benefit is clawed back.¹³ These amounts remain unchanged.

¹⁰ DWP [Security in Retirement White Paper, Cm 6841 – National Archives snapshot taken 03/01/2013](#)

¹¹ For 2018/19 see HM Treasury [Autumn Budget 2017](#).

¹² The Government had previously announced in the 2010 Spending Review that the maximum awards would be frozen at the 2010-11 levels of £20.52 and £27.09 until 2014-15.

¹³ For more details see Library Briefing Paper SN06299 [Child Benefit for higher income families](#).

2.5 Other benefits

Most benefits for people of working age (except for disability/carer benefits and premiums and the ESA support component) are subject to an uprating freeze between 2016/17 and 2019/20 (see section 1.2). Inflation-linked benefits that are exempt from the freeze will increase by **+2.4%** (CPI).

Tables 3a and 3b show the main out-of-work working age benefits, disability and carer benefits, and child and parental benefits for 2019/20 and the preceding nine years.

Table 3c shows pensioner benefit rates in 2019/20 along with those of the preceding nine years.

Abolition of the ESA Work Related Activity Component

The Government abolished the ESA WRAC for new claimants from April 2017. Our research paper [Abolition of the ESA WRAC](#) provides further details.

TABLE 3a - SOCIAL SECURITY BENEFITS - KEY OUT-OF-WORK BENEFITS FOR WORKING-AGE CLAIMANTS

£ per week

	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20			
	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.		
ESA, Income Support, JSA (income-based)																						
Personal allowances (selected rates):																						
Single under 25/lone parent under 18	51.85	+1.8	53.45	+3.1	56.25	+5.2	56.80	+1.0	57.35	+1.0	57.90	+1.0	57.90	+0.0	57.90	+0.0	57.90	+0.0	57.90	+0.0	57.90	+0.0
Single 25+ / lone parent 18+	65.45	+1.8	67.50	+3.1	71.00	+5.2	71.70	+1.0	72.40	+1.0	73.10	+1.0	73.10	+0.0	73.10	+0.0	73.10	+0.0	73.10	+0.0	73.10	+0.0
Couple (both over 18)	102.75	+1.8	105.95	+3.1	111.45	+5.2	112.55	+1.0	113.70	+1.0	114.85	+1.0	114.85	+0.0	114.85	+0.0	114.85	+0.0	114.85	+0.0	114.85	+0.0
Jobseeker's Allowance (contribution-based)																						
Under 25	51.85	+1.8	53.45	+3.1	56.25	+5.2	56.80	+1.0	57.35	+1.0	57.90	+1.0	57.90	+0.0	57.90	+0.0	57.90	+0.0	57.90	+0.0	57.90	+0.0
25 or over	65.45	+1.8	67.50	+3.1	71.00	+5.2	71.70	+1.0	72.40	+1.0	73.10	+1.0	73.10	+0.0	73.10	+0.0	73.10	+0.0	73.10	+0.0	73.10	+0.0
Universal Credit - Standard allowances^(a)																						
Single under 25	..	..	..	..	..	..	56.80	..	57.35	+1.0	57.90	+1.0	57.90	+0.0	57.90	+0.0	57.90	+0.0	57.90	+0.0	57.90	+0.0
Single 25+	..	..	..	..	..	..	71.70	..	72.40	+1.0	73.10	+1.0	73.10	+0.0	73.10	+0.0	73.10	+0.0	73.10	+0.0	73.10	+0.0
Couple, one or both over 25	..	..	..	..	..	..	112.55	..	113.70	+1.0	114.85	+1.0	114.85	+0.0	114.85	+0.0	114.85	+0.0	114.85	+0.0	114.85	+0.0
ESA: components (added to personal allowances)																						
Work-related activity group component ^(b)	25.95	+1.8	26.75	+3.1	28.15	+5.2	28.45	+1.1	28.75	+1.1	29.05	+1.0	29.05	+0.0	29.05	+0.0	29.05	+0.0	29.05	+0.0	29.05	+0.0
Support Group component	31.40	+1.8	32.35	+3.0	34.05	+5.3	34.80	+2.2	35.75	+2.7	36.20	+1.3	36.20	+0.0	36.55	+1.0	37.65	+3.0	38.55	+2.4	38.55	+2.4
Incapacity Benefit																						
Long-term	91.40	+1.8	94.25	+3.1	99.15	+5.2	101.35	+2.2	104.10	+2.7	105.35	+1.2	105.35	+0.0	106.40	+1.0	109.60	+3.0	112.25	+2.4	112.25	+2.4
Severe Disablement Allowance																						
Basic rate + higher age-related addition	74.45	+1.8	76.75	+3.1	80.70	+5.1	82.50	+2.2	84.75	+2.7	85.80	+1.2	85.80	+0.0	86.65	+1.0	89.25	+3.0	91.40	+2.4	91.40	+2.4
Benchmarks for uprating																						
Retail Prices Index (RPI)		-1.4		+4.6		+5.6		+2.6		+3.2		+2.3		+0.8		+2.0		+3.9		+3.3		
Consumer Prices index (CPI)		+1.1		+3.1		+5.2		+2.2		+2.7		+1.2		-0.1		+1.0		+3.0		+2.4		
Earnings ^(c)		+1.8		+2.0		+2.8		+1.6		+1.2		+0.6		+2.9		+2.4		+2.2		+2.6		

Notes '% increase' can differ slightly from the relevant uprating benchmark due to rounding and uprating conventions. (a) Universal Credit rates are expressed here in weekly amounts, however Universal Credit is paid monthly. See table 5 for the official monthly values of Universal Credit amounts. (b) ESA Work Related Activity Component was abolished for new claimants from April 2017. (c) Earnings growth measured by AEI up to 2011-12 inclusive; AWE thereafter (AWE figure for 2011-12 was +1.3%).

Source DWP, Proposed benefit and pension rates 2019-2020 and previous editions.

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TABLE 3b - SOCIAL SECURITY BENEFITS - DISABILITY AND CARER BENEFITS; CHILD AND PARENTAL BENEFITS

£ per week

	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20	
	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.
Attendance Allowance																				
Higher Rate	71.40	+1.5	73.60	+3.1	77.45	+5.2	79.15	+2.2	81.30	+2.7	82.30	+1.2	82.30	+0.0	83.10	+1.0	85.60	+3.0	87.65	+2.4
Lower Rate	47.80	+1.5	49.30	+3.1	51.85	+5.2	53.00	+2.2	54.45	+2.7	55.10	+1.2	55.10	+0.0	55.65	+1.0	57.30	+3.0	58.70	+2.4
Carer's Allowance																				
	53.90	+1.5	55.55	+3.1	58.45	+5.2	59.75	+2.2	61.35	+2.7	62.10	+1.2	62.10	+0.0	62.70	+1.0	64.60	+3.0	66.15	+2.4
Personal Independence Payment (PIP) and Disability Living Allowance (DLA)																				
PIP Daily Living: enhanced | DLA Care: highest	71.40	+1.5	73.60	+3.1	77.45	+5.2	79.15	+2.2	81.30	+2.7	82.30	+1.2	82.30	+0.0	83.10	+1.0	85.60	+3.0	87.65	+2.4
PIP Daily Living: standard | DLA Care: middle	47.80	+1.5	49.30	+3.1	51.85	+5.2	53.00	+2.2	54.45	+2.7	55.10	+1.2	55.10	+0.0	55.65	+1.0	57.30	+3.0	58.70	+2.4
DLA Care: lowest	18.95	+1.6	19.55	+3.2	20.55	+5.1	21.00	+2.2	21.55	+2.6	21.80	+1.2	21.80	+0.0	22.00	+0.9	22.65	+3.0	23.20	+2.4
PIP Mobility: enhanced | DLA Mobility: higher	49.85	+1.5	51.40	+3.1	54.05	+5.2	55.25	+2.2	56.75	+2.7	57.45	+1.2	57.45	+0.0	58.00	+1.0	59.75	+3.0	61.20	+2.4
PIP Mobility: standard | DLA Mobility: lower	18.95	+1.6	19.55	+3.2	20.55	+5.1	21.00	+2.2	21.55	+2.6	21.80	+1.2	21.80	+0.0	22.00	+0.9	22.65	+3.0	23.20	+2.4
Child Benefit																				
First child	20.30	+1.5	20.30	+0.0	20.30	+0.0	20.30	+0.0	20.50	+1.0	20.70	+1.0	20.70	+0.0	20.70	+0.0	20.70	+0.0	20.70	+0.0
Each additional child	13.40	+1.5	13.40	+0.0	13.40	+0.0	13.40	+0.0	13.55	+1.1	13.70	+1.1	13.70	+0.0	13.70	+0.0	13.70	+0.0	13.70	+0.0
Statutory Maternity/Paternity/Parental/Adoption Pay; Maternity Allowance - std rate																				
	124.88	+1.5	128.73	+3.1	135.45	+5.2	136.78	+1.0	138.18	+1.0	139.58	+1.0	139.58	+0.0	140.98	+1.0	145.18	+3.0	148.68	+2.4
Benchmarks for uprating																				
Retail Prices Index (RPI)		-1.4		+4.6		+5.6		+2.6		+3.2		+2.3		+0.8		+2.0		+3.9		+3.3
Consumer Prices index (CPI)		+1.1		+3.1		+5.2		+2.2		+2.7		+1.2		-0.1		+1.0		+3.0		+2.4
Earnings ^(a)		+1.8		+2.0		+2.8		+1.6		+1.2		+0.6		+2.9		+2.4		+2.2		+2.6

Notes '% increase' can differ slightly from the relevant uprating benchmark due to rounding and uprating conventions. (a) Earnings growth measured by AEI up to 2011-12 inclusive; AWE thereafter (AWE figure for 2011-12 was +1.3%).

Sources DWP, Proposed benefit and pension rate 2019-2020 and previous editions; HM Treasury, Budget 2018: overview of tax legislation and rates (OOTLAR) and previous editions.

15 Commons Library Briefing, 1 March 2019 (update)

TABLE 3c - SOCIAL SECURITY BENEFITS - PENSIONER BENEFITS

£ per week

	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		
	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	
Old State Pension - Basic (full)																					
Individual on own contribs (Category A or B)	97.65	+2.5	102.15	+4.6	107.45	+5.2	110.15	+2.5	113.10	+2.7	115.95	+2.5	119.30	+2.9	122.30	+2.5	125.95	+3.0	129.20	+2.6	
Spouse or civil partner (Category B lower)	58.50	+2.5	61.20	+4.6	64.40	+5.2	66.00	+2.5	67.80	+2.7	69.50	+2.5	71.50	+2.9	73.30	+2.5	75.50	+3.0	77.45	+2.6	
Couple on one person's contributions (Category A + Category B lower)	156.15	+2.5	163.35	+4.6	171.85	+5.2	176.15	+2.5	180.90	+2.7	185.45	+2.5	190.80	+2.9	195.60	+2.5	201.45	+3.0	206.65	+2.6	
New State Pension																					
Full amount	155.65	N/A	159.55	+2.5	164.35	+3.0	168.60	+2.6
Pension Credit																					
Standard minimum guarantee - Single	132.60	+2.0	137.35	+3.6	142.70	+3.9	145.40	+1.9	148.35	+2.0	151.20	+1.9	155.60	+2.9	159.35	+2.4	163.00	+2.3	167.25	+2.6	
Standard minimum guarantee - Couple	202.40	+2.0	209.70	+3.6	217.90	+3.9	222.05	+1.9	226.50	+2.0	230.85	+1.9	237.55	+2.9	243.25	+2.4	248.80	+2.3	255.25	+2.6	
Savings Credit threshold - Single	98.40	+2.5	103.15	+4.8	111.80	+8.4	115.30	+3.1	120.35	+4.4	126.50	+5.1	133.82	+5.8	137.35	+2.6	140.67	+2.4	144.38	+2.6	
Savings Credit threshold - Couple	157.25	+2.5	164.55	+4.6	178.35	+8.4	183.90	+3.1	192.00	+4.4	201.80	+5.1	212.97	+5.5	218.42	+2.6	223.82	+2.5	229.67	+2.6	
Savings Credit maximum award - Single	20.52	+0.6	20.52	+0.0	18.54	-9.6	18.06	-2.6	16.80	-7.0	14.82	-11.8	13.07	-11.8	13.20	+1.0	13.40	+1.5	13.72	+2.4	
Savings Credit maximum award - Couple	27.09	+0.2	27.09	+0.0	23.73	-12.4	22.89	-3.5	20.70	-9.6	17.43	-15.8	14.75	-15.4	14.90	+1.0	14.99	+0.6	15.35	+2.4	
Benchmarks for uprating																					
Retail Prices Index (RPI)		-1.4		+4.6		+5.6		+2.6		+3.2		+2.3		+0.8		+2.0		+3.9		+3.3	
Consumer Prices index (CPI)		+1.1		+3.1		+5.2		+2.2		+2.7		+1.2		-0.1		+1.0		+3.0		+2.4	
Earnings ^(a)		+1.8		+2.0		+2.8		+1.6		+1.2		+0.6		+2.9		+2.4		+2.2		+2.6	
Triple-lock (highest of CPI, earnings or 2.5%)		..		..		+5.2		+2.5		+2.7		+2.5		+2.9		+2.5		+3.0		+2.6

Notes '% increase' can differ slightly from the relevant uprating benchmark due to rounding and uprating conventions. (a) Earnings growth measured by AEI up to 2011-12 inclusive; AWE thereafter (AWE figure for 2011-12 was +1.3%).

Source DWP, Proposed benefit and pension rates 2019-2020 and previous editions.

3. Tax credits

Under the [Tax Credits Act 2002](#) the Treasury is required to review the value of tax credit elements on an annual basis 'in order to determine whether they have retained their value in relation to the general level of prices in the United Kingdom as estimated by the Treasury in such manner as it considers appropriate.'¹⁴

CPI became the default inflation benchmark for tax credit elements from 2011/12 onwards, as announced in the June 2010 Budget. Previously, the expectation was that the basic Working Tax Credit (WTC) would be reviewed in line with prices and the Child Tax Credit (CTC) in line with earnings.¹⁵ However, the CTC family element has never been uprated (£545 p.a. since the introduction of the current tax credit system in 2003). Also, the WTC childcare element has not been inflation-linked, on the grounds that childcare costs do not necessarily follow trends in the overall price level.

Between 2016/17 and 2019/20 the uprating freeze has applied to those core CTC and WTC elements that are conventionally inflation-linked.

In the 2015 Summer Budget, the Government announced that for 2016/17 it would reduce the tax credit income threshold to £3,850 and increase the taper rate at which payments are means-tested to 48p in the pound. However, this policy was dropped in the 2015 Autumn Statement.

In 2019/20 the income thresholds at which the amount of Working Tax Credit and Child Tax Credit received by a household starts to decrease remain at **£6,420** (for in work families) and **£16,105** (for out of work families) respectively. The rate at which tax credit payments are tapered as earnings rise will stay at **41p** for every pound earned- that is, at 41%.

Tax credit entitlement is based on the tax year. Awards are paid annually based on the claimant's current circumstances and income from the previous year. At the end of the year HMRC reviews a claimant's circumstances and, if the claimant's income has changed from what it was initially projected to be, may retrospectively change their tax credit award. The 'income disregard' is the amount by which a household's income can increase in the tax year without triggering a review of its entitlement. In 2016/17, the income disregard was reduced from £5,000 to £2,500 and will remain the same for 2019/20.

Tax credit rates and thresholds for 2019/20 and the preceding nine years are shown in Table 4. Figures are from HM Treasury, [Budget 2018: overview of tax legislation and rates \(OOTLAR\)](#).

Changes to tax credits from April 2017

The Government has abolished the Child Tax Credits Family Element for new claims from April 2017 and limited the child element to two children for most new claims and births from April 2017. Our research paper [The two child limit in tax credits and Universal Credit](#) provides further details.

¹⁴ Tax Credits Act 2002 [Section 41](#)

¹⁵ [HL Deb 23 May 2002 vol 635 c144GC](#) [Lords Committee Stage of the Tax Credits Bill]

TABLE 4 - HMRC CHILD AND WORKING TAX CREDITS - RATES AND THRESHOLDS

	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20	
	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.
Child Tax Credit																				
Family element ^(a)	545	+0.0	545	+0.0	545	+0.0	545	+0.0	545	+0.0	545	+0.0	545	+0.0	545	+0.0	545	+0.0	545	+0.0
Family element baby addition	545	+0.0	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Child element	2,300	+2.9	2,555	+11.1	2,690	+5.3	2,720	+1.1	2,750	+1.1	2,780	+1.1	2,780	+0.0	2,780	+0.0	2,780	+0.0	2,780	+0.0
Disabled child element (additional)	2,715	+1.7	2,800	+3.1	2,950	+5.4	3,015	+2.2	3,100	+2.8	3,140	+1.3	3,140	+0.0	3,175	+1.1	3,275	+3.1	3,355	+2.4
Severely disabled child element (additional)	1,095	+1.9	1,130	+3.2	1,190	+5.3	1,220	+2.5	1,255	+2.9	1,275	+1.6	1,275	+0.0	1,290	+1.2	1,325	+2.7	1,360	+2.6
Working Tax Credit																				
Basic element	1,920	+1.6	1,920	+0.0	1,920	+0.0	1,920	+0.0	1,940	+1.0	1,960	+1.0	1,960	+0.0	1,960	+0.0	1,960	+0.0	1,960	+0.0
Couples and lone parent element	1,890	+1.6	1,950	+3.2	1,950	+0.0	1,970	+1.0	1,990	+1.0	2,010	+1.0	2,010	+0.0	2,010	+0.0	2,010	+0.0	2,010	+0.0
30 hour element	790	+1.9	790	+0.0	790	+0.0	790	+0.0	800	+1.3	810	+1.3	810	+0.0	810	+0.0	810	+0.0	810	+0.0
Disabled worker element	2,570	+1.6	2,650	+3.1	2,790	+5.3	2,855	+2.3	2,935	+2.8	2,970	+1.2	2,970	+0.0	3,000	+1.0	3,090	+3.0	3,165	+2.4
Severely disabled adult element	1,095	+1.9	1,130	+3.2	1,190	+5.3	1,220	+2.5	1,255	+2.9	1,275	+1.6	1,275	+0.0	1,290	+1.2	1,330	+3.1	1,365	+2.6
50+ return to work payment (16-29 hrs pw)	1,320	+1.5	1,365	+3.4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
50+ return to work payment (30+ hrs pw)	1,965	+1.6	2,030	+3.3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Childcare element																				
Maximum eligible costs allowed (£ per week)																				
Eligible costs incurred for 1 child	175	+0.0	175	+0.0	175	+0.0	175	+0.0	175	+0.0	175	+0.0	175	+0.0	175	+0.0	175	+0.0	175	+0.0
Eligible costs incurred for 2+ children	300	+0.0	300	+0.0	300	+0.0	300	+0.0	300	+0.0	300	+0.0	300	+0.0	300	+0.0	300	+0.0	300	+0.0
Percentage of eligible costs covered	80%	+0.0	70%	+0.0	70%	+0.0	70%	+0.0	70%	+0.0	70%	+0.0	70%	+0.0	70%	+0.0	70%	+0.0	70%	+0.0
Income thresholds and withdrawal rates																				
First income threshold	6,420		6,420		6,420		6,420		6,420		6,420		6,420		6,420		6,420		6,420	
First withdrawal rate	39%		41%		41%		41%		41%		41%		41%		41%		41%		41%	
Second income threshold	50,000		40,000		..		..		..		..		..		..		..		..
Second withdrawal rate	1 in 15		41%		..		..		..		..		..		..		..		..
First income threshold for those entitled to Child Tax Credit only	16,190		15,860		15,860		15,910		16,010		16,105		16,105		16,105		16,105		16,105	
Income increase disregard	25,000		10,000		10,000		5,000		5,000		5,000		2,500		2,500		2,500		2,500	
Income fall disregard	..		..		2,500		2,500		2,500		2,500		2,500		2,500		2,500		2,500	
Uprating benchmarks (for comparison)																				
Retail Prices Index (RPI)		-1.4		+4.6		+5.6		+2.6		+3.2		+2.3		+0.8		+2.0		+3.9		+3.3
Consumer Prices index (CPI)		+1.1		+3.1		+5.2		+2.2		+2.7		+1.2		-0.1		+1.0		+3.0		+2.4
Earnings ^(b)		+1.8		+2.0		+2.8		+1.6		+1.2		+0.6		+2.9		+2.4		+2.2		+2.6

Notes '% increase' can differ slightly from the relevant uprating benchmark due to rounding and uprating conventions. (a) The family element was abolished for new claims from April 2017. (b) Earnings growth measured by AEI up to 2011-12 inclusive; AWE thereafter (AWE figure for 2011-12 was +1.3%).

Source HM Treasury, Budget 2018: overview of tax legislation and rates (OOTLAR) and previous editions.

4. Universal Credit

In 2013, Universal Credit began to replace a range of means-tested benefits and tax credits for working age families (the ‘**legacy benefits**’ – comprising **income-based JSA; income-related ESA; Income Support; Child and Working Tax Credits and Housing Benefit**). Universal Credit is means-tested and payable to both in-work and out-of-work recipients. The main regulations for Universal Credit came into force on 29 April 2013.¹⁶

The phased introduction of Universal Credit ‘live service’ began in April 2013. Rollout of the digital ‘full service’ across Great Britain began in 2016 and will be complete by the end of 2018. When the full service is introduced in an area, new claims for legacy benefits cannot be made (with limited exceptions). ‘Managed migration’ of existing legacy claims is expected to begin in July 2019 and be complete in 2023.

The various component parts of a Universal Credit award, and their equivalents in the legacy system, are set out below:

Universal Credit roll-out
See our [Universal Credit roll-out: 2018-19](#) briefing paper for more background.

Universal Credit amount	Corresponding feature of the legacy system	Note:
Standard allowance	Personal allowances in JSA / ESA / Income Support	
Child amounts	Child Tax Credit child elements (and family element for claims starting before 6 Apr 2017)	
Disabled child additions	CTC disabled and severely disabled child elements	
Limited Capability for Work amount	ESA work-related activity component	Not available to new claimants from 3 April 2017.
Limited Capability for Work and Work-Related Activity	ESA support component and premiums	
Carer amount	Carer premium in JSA / ESA / Income Support	
Housing cost amount	Housing Benefit	
Childcare cost amount	Working Tax Credit childcare element	The percentage of eligible childcare costs covered is 70% in WTC and 85% in UC.

4.1 Work Allowances

The UC **work allowance** is the amount of money a household can earn before its UC award starts to be reduced (‘tapered’). When net earnings exceed the work allowance, the UC award is subject to a 63% taper rate, i.e. 63p is removed from the UC award for every £1 of net

¹⁶ [Universal Credit Regulations](#) (SI 2013/376). See also [Welfare Reform Act 2012 regulations](#) on Gov.uk

earnings above the work allowance. The taper rate was lowered from 63% to 65% at Autumn Statement 2016.¹⁷

The default budgetary assumption is that work allowances increase in line with CPI inflation.¹⁸

Changes to work allowances

The structure and value of work allowances have been subject to a number of changes since UC was first introduced. Initially seven different UC work allowances applied, depending on: family composition; whether the claimant had work-limiting incapacity; and whether the claimant received housing cost element. For claimants with dependent children and/or limited capability for work, work allowances were much higher if they did not claim housing cost elements – the stated rationale for this was to “target resources fairly”, taking into account the higher awards that housing-cost claimants receive.¹⁹

Below are the decisions taken in respect of work allowances at successive fiscal events:

- [Autumn Statement 2012](#): work allowances to be uprated by 1% (instead of CPI indexation) in 2014/15 and 2015/16;
- [Autumn Statement 2013](#): work allowances to be frozen at their 2013/14 level for 3 years (2013/14 to 2015/16 inclusive) – overriding the 1% increases announced at AS 2012;
- [Autumn Statement 2014](#): work allowances were frozen for a further year (2017/18) to help finance an increase in the generosity of UC childcare element (see below).
- [Summer Budget 2015](#): with effect from 2016/17, work allowances were cut in cash terms and also simplified, reducing the seven different work allowances to just two (and abolishing work allowances for fit-for-work childless adults).²⁰
- For 2018/19: Work allowances were CPI-uprated for the first time (following the expiry of the freeze announced at Autumn Statement 2014).
- [Budget 2018](#): for 2019/20, a £1,000 cash increase was announced in the annual value of the work allowances, on top of normal CPI indexation.

4.2 Childcare cost amount

The Universal Credit childcare cost amount for 2015/16 was set at a maximum of £532.29 per month for one child or £912.50 per month for two or more children in childcare. This was equivalent to the value of the Working Tax Credit child element, which covers 70% of eligible childcare costs up to a limit of £175 per week for one child or £300 per week for two or more children.

In Budget 2014 it was announced that the value of the Universal Credit childcare element would increase to the equivalent of 85% of eligible costs.²¹ This was confirmed in the Autumn Statement 2014, which also

¹⁷ HM Treasury, [Autumn Statement 2016](#) (23 November 2016)

¹⁸ [HM Treasury Autumn Statement 2012 policy costings p.49](#)

¹⁹ [DWP Universal Credit Policy Briefing Note 14: Earnings disregards and tapers](#): on National Archives website

²⁰ The new work allowance structure and values were legislated for by the [Universal Credit \(Work Allowance\) Amendment Regulations 2015](#).

²¹ [HM Treasury Budget 2014](#), para 1.182

announced that this increase in childcare support would be provided from April 2016 and would be part-financed by freezing UC work allowances for a further year (to April 2018).²²

The maximum UC childcare elements are calculated as follows:

- 1 child: 85% of £175 per week = £149.16 per week = **£646.35 per month**
- 2+ children: 85% of £300 per week = £255.70 per week = **£1,108.04 per month**

Table 5 below shows universal credit rates and thresholds in 2019/20 and since Universal Credit's introduction.

²² [HM Treasury Autumn Statement 2014](#), para 1.229

Table 5: UNIVERSAL CREDIT - AMOUNTS AND WORK ALLOWANCES												£ per month		
	2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20	
	£	£	% incr.	£	% incr.	£	% incr.	£	% incr.	£	% incr.	£	% incr.	
Standard Allowance														
Single under 25	246.81	249.28	+1.0	251.77	+1.0	251.77	+0.0	251.77	+0.0	251.77	+0.0	251.77	+0.0	
Single 25 or over	311.55	314.67	+1.0	317.82	+1.0	317.82	+0.0	317.82	+0.0	317.82	+0.0	317.82	+0.0	
Joint claimants both under 25	387.42	391.29	+1.0	395.20	+1.0	395.20	+0.0	395.20	+0.0	395.20	+0.0	395.20	+0.0	
Joint claimants, one or both 25 or over	489.06	493.95	+1.0	498.89	+1.0	498.89	+0.0	498.89	+0.0	498.89	+0.0	498.89	+0.0	
Limited Capability for Work amount				126.11		126.11	+0.0	126.11	+0.0	126.11	+0.0	126.11	+0.0	
Limited Capability for Work & work-related activity				315.60		315.60	+0.0	318.76	+1.0	328.32	+3.0	336.20	+2.4	
Child amount														
Standard amount per child	226.67	229.17	+1.1	231.67	+1.1	231.67	+0.0	231.67	+0.0	231.67	+0.0	231.67	+0.0	
First child (claim start prior to 6 April 2017) (a)	272.08	274.58	+0.9	277.08	+0.9	277.08	+0.0	277.08	+0.0	277.08	+0.0	277.08	+0.0	
Disabled child addition: lower rate		124.86		126.11		126.11	+0.0	126.11	+0.0	126.11	+0.0	126.11	+0.0	
Disabled child addition: higher rate		362.92		367.92		367.92	+0.0	372.30	+1.2	383.86	+3.1	392.08	+2.1	
Carer amount										156.45		160.20	+2.4	
Childcare costs amount ^(b)														
Maximum for 1 child	532.29	532.29		532.29		646.35		646.35		646.35		646.35		
Maximum for 2+ children	912.50	912.50		912.50		1,108.04		1,108.04		1,108.04		1,108.04		
Higher work allowance (for claimants not claiming housing element)														
Single/joint claimant, no dependent children	111.00	111.00	+0.0	111.00	+0.0	..	..	..	..	..	..	..	..
Single claimant, one or more children	734.00	734.00	+0.0	734.00	+0.0	397.00	-45.9	397.00	+0.0	409.00	+3.0	503.00	+23.0	
Joint claimant, one or more children	536.00	536.00	+0.0	536.00	+0.0	397.00	-25.9	397.00	+0.0	409.00	+3.0	503.00	+23.0	
Single/joint claimant, limited capability for work	647.00	647.00	+0.0	647.00	+0.0	397.00	-38.6	397.00	+0.0	409.00	+3.0	503.00	+23.0	
Lower work allowance (for claimants claiming housing element)														
Single/joint claimant, no dependent children	111.00	111.00	+0.0	111.00	+0.0	..	..	..	..	..	..	..	..
Single claimant, one or more children	263.00	263.00	+0.0	263.00	+0.0	192.00	-27.0	192.00	+0.0	198.00	+3.1	287.00	+44.9	
Joint claimant, one or more children	222.00	222.00	+0.0	222.00	+0.0	192.00	-13.5	192.00	+0.0	198.00	+3.1	287.00	+44.9	
Single/joint claimant, limited capability for work	192.00	192.00	+0.0	192.00	+0.0	192.00	+0.0	192.00	+0.0	198.00	+3.1	287.00	+44.9	
Taper rate	65%	65%		65%		65%		63%		63%		63%		
Benchmarks for uprating														
<i>Consumer Prices index (CPI)</i>			+2.7		+1.2		-0.1		+1.0		+3.0		+2.4	

Notes '% increase' can differ slightly from the relevant uprating benchmark due to rounding and uprating conventions. (a) The higher first child amount (delivering the equivalent to the £545 p.a. CTC family element) was abolished for new claims from April 2017. (b) Childcare cost amounts are not subject to periodic uprating. The childcare cost amount covers 85% of eligible childcare costs.

Source DWP, Proposed benefit and pension rates 2019 to 2020 and previous editions.

5. Earlier notes in the 'Benefits Uprating' series

This note is the latest in an annual series since 1999. Earlier editions are as follows, listed alongside the corresponding Government announcements.

Uprating for financial year:	Library's Benefit Uprating note:	DWP oral statement to the House of Commons	DWP written ministerial statement / deposited paper	Benefit rates on Gov.uk	Tax Credits & Child Benefit on Gov.uk
1999-00	SN00195	28 Oct 1998 cc339-55			
2000-01	SN00300	9 Nov 1999 cc907-20			
2001-02	SN00577	9 Nov 2000 cc451-71			
2002-03	SN01715	28 Nov 2001 cc972-89			
2003-04	SN01969	18 Nov 2002 cc365-80	19 Nov 2002 cc16-36WS		
2004-05	SN02781	10 Dec 2003 cc1087-99	11 Dec 2003 cc106-18WS		
2005-06	SN03275	6 Dec 2004 cc905-16	7 Dec 2004 cc86-96WS		
2006-07	SN03819	6 Dec 2005 cc741-53	7 Dec 2005 cc102-12WS		
2007-08	SN04177	7 Dec 2006 cc451-62	11 Dec 2006 cc42-74WS		
2008-09	SN04537	5 Dec 2007 cc841-51	6 Dec 2007 cc101-18WS		
2009-10	SN04901	11 Dec 2008 cc693-702	15 Dec 2008 cc87-100WS		
2010-11	SN05198	10 Dec 2009 cc518-26	14 Dec 2009 cc66-92WS		
2011-12	SN05805	8 Dec 2010 cc309-18	9 Dec 2010 cc47-60WS		
2012-13	SN06172	6 Dec 2011 cc163-72	12 Dec 2011 cc72-86WS		2012/13
2013-14	SN06512	6 Dec 2012 cc1029-39	DEP2012-1830, 6 Dec 2012		2013/14
2014-15	SN06774	n/a	9 Dec 2013 cc4-5WS	2014/15	2014/15
2015-16	SN07054	4 Dec 2014 cc442-8	DEP2014-1568, 4 Dec 2014	2015/16	2015/16
2016-17	CBP 7410	n/a	HCWS328, 26 Nov 2015	2016/17	2016/17
2017-18	CBP 7818	n/a	HCWS287, 28 Nov 2016	2017/18	2017/18
2018-19	CBP 8162	n/a	HCWS268, 27 Nov 2017	2018/19	2018/19
2019-20 (current)	CBP 8458	n/a	HCWS1104, 23 Nov 2018	2019/20	2019/20

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