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## Benefits Uprating 2022/23



### Summary

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## Summary

The Secretary of State for Work and Pensions is required to review the level of benefits each year. This briefing sets out the main benefit and tax credit rates that have been announced for the 2022/23 financial year.

Inflation-linked benefits and tax credits will rise by **3.1% from April 2022**, in line with the Consumer Prices Index (CPI) rate of inflation in September 2021.

## Universal Credit and Working Tax Credit

The **Universal Credit standard allowances** and the **Working Tax Credit basic element** will be set in line with the usual annual up-rating review and do not retain the temporary £20 per week uplift that was introduced covering 18 months from April 2021 as part of a package of welfare measures introduced during the coronavirus outbreak.

## Pension rates in 2022/23

The **Basic** and **New State Pensions** will also be up-rated in line with CPI inflation in 2022/23, following a one-year suspension of the '[triple lock](#)'. This was a Government commitment to increase pensions by whatever was highest: earnings, prices or 2.5%.

Because of high earnings growth from mid-2020 onwards, there would be an increase in state pensions spending of around £4 to £5 billion in 2022/23, if an **earnings** up-rate was applied, as opposed to the higher of 2.5% or expected price inflation.

The [Social Security \(Up-rating of Benefits\) Act 2021](#) suspended the earnings element of the triple lock for the 2022/23 financial year and state pensions will be increased by CPI inflation of 3.1%. The full rates for 2022/23 will be:

- **£185.15 per week** for the **New State Pension** (for those reaching State Pension age on or after 6 April 2016) - up from £179.60 in 2021/22.
- **£141.85 per week** for the **Basic State Pension** (the core amount in the old State Pension system) - up from £137.60 in 2021/22.

The **Pension Credit standard minimum guarantee** (delivered by the **Guarantee Credit**) will also increase by 3.1% in line with CPI inflation.

# 1 Up-rating policy

## 1.1 Department for Work and Pensions benefits

Key benefits that must be increased in line with prices:

- Disability benefits (PIP, Attendance Allowance, DLA)
- Carer's Allowance
- Incapacity benefit
- Severe Disablement Allowance
- Industrial injuries benefit
- Additional State Pension
- Guardian's Allowance (from HMRC)

The Secretary of State for Work and Pensions is required by section 150(1) of the [Social Security Administration Act 1992 \(as amended\)](#) to review the level of benefits each year. This is to:

determine whether they have retained their value in relation to the general level of prices obtaining in Great Britain estimated in such manner as the Secretary of State thinks fit.

The Secretary of State then tables a draft up-rating order setting out the amounts that benefits are to be increased by, from the start of the next tax year.

The draft up-rating order must increase the level of certain benefits specified in the Act by **at least the rise in the level of prices** (see box, left).<sup>1</sup> It may also increase other benefits administered by the Department for Work and Pensions (DWP):

if [the Secretary of State] considers it appropriate, having regard to the national economic situation and any other matters which he considers relevant.<sup>2</sup>

This covers a wide range of benefits that the DWP is responsible for, including Jobseeker's Allowance, Employment and Support Allowance, Income Support and Universal Credit.<sup>3</sup>

The Secretary of State is also required (by section 150A(1) of the 1992 Act) to review the annual increase in earnings to up-rate the New State Pension, Basic State Pension and the Pension Credit standard minimum guarantee, and to table a draft up-rating order increasing these by at least the **general increase in earnings**.

<sup>1</sup> [Section 150\(2\)\(a\) of the Social Security Administration Act 1992](#)

<sup>2</sup> [Section 150\(2\)\(b\) of the Social Security Administration Act 1992](#)

<sup>3</sup> Universal Credit was added to the 1992 Act by the [Welfare Reform Act 2012 schedule 2 para 22](#).

## Social security benefits uprating order

The statutory instrument, which provides for the increases in DWP benefits from April 2022 (for the 2022/23 financial year) is [the draft Social Security Benefits Up-rating Order 2022](#). This draft was laid before the House of Commons on 17 January 2022. A motion to approve it is scheduled for debate in the Commons on 7 February 2022.

The Order will apply to Great Britain, except for the Attendance Allowance, Carer's Allowance, Disability Living Allowance, Industrial Injuries Benefits, Personal Independence Payment and Severe Disablement Allowance, which the Order sets for England and Wales only. The Scottish Government is responsible for setting the rates of these benefits in Scotland.

The Department for Communities in Northern Ireland is responsible for making uprating provision for Northern Ireland corresponding to the DWP Order, subject to the agreement of the Northern Ireland Assembly.

Our briefing on [Social security powers in the UK](#) has more on devolved welfare policymaking in Scotland and Northern Ireland.<sup>4</sup>

## 1.2

## HMRC Tax Credits and Child Benefit

Child and Working Tax Credits, Child Benefit and Guardian's Allowance are administered UK-wide by HM Revenue and Customs. The Treasury is responsible for the annual uprating of these payments.

[Section 41 of the Tax Credits Act 2002](#) requires the Treasury to review the value of Tax Credit elements and thresholds.

Tax credit elements are additional amounts that may be paid on top of the basic tax credit allowance. Elements cover things like single parenthood, work status, disability and childcare needs.

The Treasury must report its review to Parliament, setting out what the amount of each element would be if it had fully retained its value. The Treasury is, however, not required to increase each Tax Credit element to this value.

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<sup>4</sup> [Social security powers in the UK](#), Commons Library briefing CBP-9048

The Treasury must also annually review the value of Child Benefit and Guardian's Allowance in relation to prices and **is required** to increase Guardian's Allowance in line with the increase in prices.<sup>5</sup>

The statutory instrument providing for the increases to be made from April 2022 (for the 2022/23 financial year) is the [Tax Credits, Child Benefit and Guardian's Allowance Up-rating Regulations 2022](#), which was laid before the House on 17 January 2022.

In 2022/23 it is expected that Child Benefit, Guardian's Allowance and all normally uprated elements will rise in line with CPI (+3.1%). Although, HMRC has added the following update to its published tax credits and benefits rates:

All rates shown for the 2022 to 2023 tax year are provisional and may be subject to change between now and 6 April 2022.<sup>6</sup>

## 1.3 Inflation and earnings indices

The normal reference month for assessing inflation is the September preceding the new financial year. Since 2011 the inflation measure used by default is the **Consumer Prices Index (CPI)**.

The earnings growth measure used in years where the state pensions triple lock is in place assesses figures from May to July, preceding the new financial year, regarding annual change in the ONS's **Average Weekly Earnings** index.<sup>7</sup>

The relevant factors for 2022/23 uprating are:

- **CPI 12 months to September 2021** **+3.1%**

**Average Weekly Earnings** growth from May to July 2021 (average) was +8.3%. This figure was not used due to the suspension of the state pension triple lock.

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<sup>5</sup> The review of Child Benefit and Guardian's Allowance rates is required by section 150(1) of the Social Security Administration Act 1992, and the increase in the latter in line with prices is required by section 150(2)(a) of the Act. [Section 49\(3\) and 49\(4\) of the Tax Credits Act 2002](#) passed UK-wide responsibility for this to the Treasury.

<sup>6</sup> HMRC, [Tax credits, Child Benefit and Guardian's Allowance](#), 2 February 2022

<sup>7</sup> When applied, earnings uprating figures are based on the average annual change reported from May to July in the whole economy Average Weekly Earnings series ([ONS data series KAC3](#)).



## 1.4 Increases in response to Covid-19

In response to the coronavirus outbreak, the Government applied the following increases to benefit and tax credit amounts for 2020/21 and parts of 2021/22, on top of the inflation-linked increases that had already been announced:

- **Universal Credit standard allowances:** increased by £20 per week (£86.67 per month) from April 2020 to September 2021.
- **Working Tax Credit (WTC) basic element:** also increased by £20 per week (£1,045 for the year) throughout 2020/21. From April to September 2021, a one-off payment of £500 was made to WTC claimants with a positive award (i.e. in receipt of some payment).<sup>8</sup>
- **Local Housing Allowance (LHA) rates:** raised to the 30<sup>th</sup> percentile market rent in each broad rental market area. The 30th percentile is the market rent value that appeared in the 30th position after the dataset was divided into 100 equal parts.

The legislation giving effect to these changes was:

- Working Tax Credit basic element: [Coronavirus Act 2020 s77\(1\)](#)
- Other coronavirus-related welfare changes: [The Social Security \(Coronavirus\) \(Further Measures\) Regulations 2020 \(SI 2020/371\)](#)
- Conditions for one-off payments were set out in 'Treasury Directions'.<sup>9</sup>

The Universal Credit and Working Tax Credit uplifts were temporary. The Coronavirus Act 2020 stated that these uplifts were not to be included in subsequent statutory annual reviews of benefit rates relative to price inflation.<sup>10</sup>

In line with this, the Universal Credit standard allowances and Working Tax Credit basic element announced for 2022/23 are based on original rates for

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<sup>8</sup> Original announcement on 20 March 2020: [The Chancellor Rishi Sunak provides an updated statement on coronavirus](#) and [Chancellor announces workers' support package](#) (both GOV.UK)

<sup>9</sup> [Treasury Direction made under Section 76 of the Coronavirus Act 2020](#), HM Treasury, 9 April 2021

<sup>10</sup> [Section 77\(2\) and \(3\) of the Coronavirus Act 2020](#)

2021/22 (before the £20pw coronavirus-related UC uplift or the £500 WTC payment was added) plus 3.1%.

As shown below, the announced rates of Universal Credit standard allowances for 2022/23 are between 14% and 25% lower than their values in 2020/21, and the WTC basic element is 17% lower.

UC standard allowances and Working Tax Credit basic element					
	2021/22		2022/23	% change, 2021/22 to 2022/23	
	with uplift	no uplift		vs 2021/22 with uplift	vs 2021/22 no uplift
Universal Credit standard allowances	£ per month	£ per month	£ per month	vs 2021/22 with uplift	vs 2021/22 no uplift
Single under 25	344.00	257.33	265.31	-22.9%	+3.1%
Single 25 or over	411.51	324.84	334.91	-18.6%	+3.1%
Joint claimants, both under 25	490.60	403.93	416.45	-15.1%	+3.1%
Joint claimants, one or both 25+	596.58	509.91	525.72	-11.9%	+3.1%
Working Tax Credit	£ per year	£ per year	£ per year	vs 2021/22 with uplift	vs 2021/22 no uplift
Basic element	2,505	2,005	2,070	-17.4%	+3.2%

## Local Housing Allowance (LHA) rates

LHA rates in the private rental sector were raised to 30<sup>th</sup> percentile rent levels in 2020/21 and this level is set to be maintained in cash terms for future years.

The annual cost of maintaining this level in cash terms (as opposed to reverting to previous rate-setting policy) was forecast to be £840 million in 2022/23, gradually falling to £345 million by 2025/26.<sup>11</sup>

<sup>11</sup> HM Treasury, [Spending Review 2020, CP 330, 25 November 2020](#), table 1.1, line 22.

## 2

# State Pension and Pension Credit

### 2.1

## State Pension

Our briefings on **State Pension Uprating** and the **State Pension triple lock** have further background on State Pension uprating policy.

For the [basic State Pension](#) (for people who reached State Pension age before 6 April 2016) and [the new State Pension](#) (for people who reach State Pension age after that date) the statutory requirement is to uprate it at least in line with earnings. ([Social Security Administration Act 1992](#), s150A).

However, from 2011/12 to 2021/22, [the ‘triple lock’ commitment](#) went beyond the statutory obligation and allowed for the basic and new State Pension to be increased by whatever was highest out of earnings, prices or 2.5%.

### Triple lock: Earnings element suspended

The introduction of the triple lock was announced by the Coalition Government in its first Budget after the 2010 election.<sup>12</sup> It has received cross-party support since its inception, as shown in manifestos for all the main parties in the 2019 General Election.<sup>13</sup>

In 2020, the economic disruption caused by the coronavirus outbreak resulted in a fall in average earnings, meaning that most State Pension rates would have been effectively frozen in 2021/22. The [Social Security Administration Act 1992](#) prevents the Secretary of State from bringing forward an Uprating Order where earnings growth is negative.

To avoid freezing State Pension rates, the Government introduced the [Social Security \(Uprating of Benefits\) Act 2020](#). This enabled use of the triple lock in 2021/22 to uprate the basic and new State Pensions and the Standard Minimum Guarantee in Pension Credit. For further information see the Library briefing, [Social Security \(Uprating of Benefits\) Bill 2019-21](#).

A different situation has emerged for the 2022/23 pensions uprating. Following negative earnings growth in mid-2020, the [Average Weekly Earnings \(AWE\) index](#) then rose sharply. The Department for Work and Pensions (DWP) estimated that earnings growth for May to July 2021 (the reference period for uprating) would be between 8% and 8.5%. Using

<sup>12</sup> HM Treasury, [Budget June 2010](#), HC 61, 22 June 2010, para 1.107

<sup>13</sup> [Our Plan - Conservative Party election manifesto 2019](#); [Labour Party election manifesto 2019](#); [Liberal Democrat election manifesto 2019/our plan to build a fair society/support for pensioners](#); [SNP general election manifesto 2019/fair pensions](#); [DUP election manifesto 2019](#)

earnings to uprate pensions in 2022/23 would cost around £4 to £5 billion more than uprating by the higher of 2.5% or expected price inflation.

Consequently, on 7 September 2021 the Government announced that a one-year adjustment was needed.<sup>14</sup> The [Social Security \(Uprating of Benefits\) Act 2021](#) suspended the earnings element of the triple lock for the 2022/23 financial year. Instead, State Pensions would increase by 2.5% or CPI inflation (based on September's rate), whichever was higher.

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See our briefing on [The Social Security \(Uprating of Benefits\) Bill 2021-2022: Progress of the Bill](#) for further information.

The suspension of the triple lock has met with opposition. At the Lords report stage of the Bill, on 2 November 2021, an amendment was agreed to retain the earnings element of the triple lock for the April 2022 uprating, using a measure of earnings growth adjusted to take account of the distorting impacts of the pandemic.<sup>15</sup>

In response, the Government has argued that reliable adjustments to earnings growth are not possible. On 25 November 2021, a written statement from the Secretary of State for Work and Pensions confirmed State Pension rates would rise **in line with CPI** of 3.1%.<sup>16</sup>

For 2022/23 the **Basic State Pension** and **New State Pension** will increase by **3.1%** in line with CPI.

- The individual **Basic State Pension** rises by £4.25 per week (from £137.60 to **£141.85**) and the married rate (on one spouse's contribution) rises by £6.80 per week (from £220.05 to **£226.85**).
- The full **New State Pension** rises by £5.50 (from £179.60 to **£185.15**).

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<sup>14</sup> [HC Deb 7 September 2021 cc185-193](#)

<sup>15</sup> [HL Deb 2 November 2021 cc1121-1165](#)

<sup>16</sup> [HC Written Statement, HCWS420](#)

**Table 1a: Basic and New State Pension**

	Basic State Pension				New State Pension		Percent change and index used	
	Individual <sup>(a)</sup>		Couple <sup>(b)</sup>		Individual		% incr.	index
	£ per week	incr. (£)	£ per week	incr. (£)	£ per week	incr. (£)		
2010/11	97.65	+2.40	156.15	+3.85			+2.5%	RPI+3.9% <sup>(c)</sup>
2011/12	102.15	+4.50	163.35	+7.20			+4.6%	RPI
2012/13	107.45	+5.30	171.85	+8.50			+5.2%	CPI <sup>(d)</sup>
2013/14	110.15	+2.70	176.15	+4.30			+2.5%	minimum
2014/15	113.10	+2.95	180.90	+4.75			+2.7%	CPI
2015/16	115.95	+2.85	185.45	+4.55			+2.5%	minimum
2016/17	119.30	+3.35	190.80	+5.35	155.65	..	+2.9%	earnings
2017/18	122.30	+3.00	195.60	+4.80	159.55	+3.90	+2.5%	minimum
2018/19	125.95	+3.65	201.45	+5.85	164.35	+4.80	+3.0%	CPI
2019/20	129.20	+3.25	206.65	+5.20	168.60	+4.25	+2.6%	earnings
2020/21	134.25	+5.05	214.70	+8.05	175.20	+6.60	+3.9%	earnings
2021/22	137.60	+3.35	220.05	+5.35	179.60	+4.40	+2.5%	minimum
2022/23	141.85	+4.25	226.85	+6.80	185.15	+5.55	+3.1%	CPI

**Source:** DWP proposed benefit and pension rates, various editions.

## Additional State Pension (the old system)

The old State Pension system (for those who reached State Pension age before 6 April 2016) consists of two tiers: the triple-locked Basic State Pension (see pages 12-13) and the Additional State Pension, an earnings-related entitlement consisting of State Second Pension (S2P) or its predecessor the State Earnings-Related Pension Scheme (SERPS).

Unlike the Basic State Pension, the Additional State Pension is only indexed in line with CPI inflation. This means that Additional State Pension entitlements will increase by 3.1% in financial year 2022/23.

## Protected payments (the new system)

The New State Pension (NSP) system applies to people reaching State Pension age on or after 6 April 2016.

In this approach an individual's rights accrued before 6 April 2016 is compared by looking at 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'. This ensures that the starting pension is not lower than what would have been expected under the old system.

Protected payments are uprated in line with CPI inflation, meaning a 3.1% increase in protected payments in 2022/23.

See our briefing on [The new State Pension – transitional issues](#) for background on the calculation of entitlements in the new system.

## 2.2

## Pension Credit

Pension Credit is the main means-tested benefit for pensioners. For people who reached State Pension age before 6 April 2016, it has two elements - the Guarantee Credit and Savings 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 through Pension Credit Guarantee Credit.

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

However, the [Social Security \(Uprating of Benefits\) Act 2021](#) also applies to the standard minimum guarantee. Therefore, in 2022/23, both the single person's and couple's standard minimum guarantees will increase by **3.1%**.

For 2022/23 the **single person's** standard minimum guarantee rises by £5.50 (from £177.10 to **£182.60** per week) and for **couples** the increase is £8.40 (from £270.30 to **£278.70** per week).

The table below shows the level of the standard minimum guarantee since 2010/11.

**Table 1b: Pension Credit standard minimum guarantee**

	Single			Couple		
	Amount £ per week	Change £ per week	%	Amount £ per week	Change £ per week	%
2010/11	132.60	+2.60	+2.0%	202.40	+3.95	+2.0%
2011/12	137.35	+4.75	+3.6%	209.70	+7.30	+3.6%
2012/13	142.70	+5.35	+3.9%	217.90	+8.20	+3.9%
2013/14	145.40	+2.70	+1.9%	222.05	+4.15	+1.9%
2014/15	148.35	+2.95	+2.0%	226.50	+4.45	+2.0%
2015/16	151.20	+2.85	+1.9%	230.85	+4.35	+1.9%
2016/17	155.60	+4.40	+2.9%	237.55	+6.70	+2.9%
2017/18	159.35	+3.75	+2.4%	243.25	+5.70	+2.4%
2018/19	163.00	+3.65	+2.3%	248.80	+5.55	+2.3%
2019/20	167.25	+4.25	+2.6%	255.25	+6.45	+2.6%
2020/21	173.75	+6.50	+3.9%	265.20	+9.95	+3.9%
2021/22	177.10	+3.35	+1.9%	270.30	+5.10	+1.9%
2022/23	182.60	+5.50	+3.1%	278.70	+8.40	+3.1%

**Source:** DWP proposed benefit and pension rates, various editions.

## Savings Credit

Pension Credit Savings Credit is payable to pensioners who reached State Pension age **before 6 April 2016**. It is therefore not payable to people who reached State Pension age in the New State Pension system (on or after 6 April 2016).

Savings Credit was intended to ensure that the Pension Credit means-test did not eliminate the financial incentive to make extra provision towards their retirement.

If someone's extra payments towards their retirement (such as savings or an occupational pension) raises their pension income above the Savings Credit threshold, they get 60p for every £1 their income exceeded the threshold, up to a maximum weekly award.

The [2006 Pensions White Paper](#) stated that from 2008/09 onwards, the Savings Credit threshold would rise in line with earnings.<sup>17</sup>

However, to finance above-earnings increases in the Guarantee Credit in 2011/12 to 2015/16 inclusive, and in 2018/19, the Savings Credit threshold was increased by more than earnings in each of these years.<sup>18</sup> The threshold was also raised above the rise in average earnings in 2016/17, 2017/18 and 2020/21.

In addition, after a freeze in 2011/12 the maximum award was cut in each year from 2012/13 to 2016/17.<sup>19</sup>

For 2022/23 the Savings Credit **threshold** will rise by 3.1%:

- from £153.70 to **£158.47** per week for single people
- from £244.12 to **£251.17** per week for couples.

The Savings Credit **maximum award** will also rise by 3.1%:

- from £14.04 to **£14.48** per week for single people
- from £15.71 to **£16.20** per week for couples.

A brief time series of State Pension and Pension Credit rates can be found in Table 2 on page 15.

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<sup>17</sup> DWP, [Security in Retirement White Paper, Cm 6841 – National Archives snapshot taken 03/01/2013](#)

<sup>18</sup> For 2018/19 see HM Treasury, [Autumn Budget 2017](#), HC 587, 22 November 2017.

<sup>19</sup> 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.

**Table 2: State Pension and Pension Credit**

£ per week

	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23	
	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.
<b>Old State Pension - Basic (full)</b>																
Individual on own contribs ( <i>Category A or B</i> )	115.95	+2.5	119.30	+2.9	122.30	+2.5	125.95	+3.0	129.20	+2.6	134.25	+3.9	137.60	+2.5	<b>141.85</b>	<b>+3.1</b>
Spouse or civil partner ( <i>Category B lower</i> )	69.50	+2.5	71.50	+2.9	73.30	+2.5	75.50	+3.0	77.45	+2.6	80.45	+3.9	82.45	+2.5	<b>85.00</b>	<b>+3.1</b>
Couple on one person's contributions ( <i>Category A + Category B lower</i> )	185.45	+2.5	190.80	+2.9	195.60	+2.5	201.45	+3.0	206.65	+2.6	214.70	+3.9	220.05	+2.5	<b>226.85</b>	<b>+3.1</b>
<b>New State Pension</b>																
Full rate	..	..	155.65	N/A	159.55	+2.5	164.35	+3.0	168.60	+2.6	175.20	+3.9	179.60	+2.5	<b>185.15</b>	<b>+3.1</b>
<b>Pension Credit</b>																
Standard minimum guarantee - Single	151.20	+1.9	155.60	+2.9	159.35	+2.4	163.00	+2.3	167.25	+2.6	173.75	+3.9	177.10	+1.9	<b>182.60</b>	<b>+3.1</b>
Standard minimum guarantee - Couple	230.85	+1.9	237.55	+2.9	243.25	+2.4	248.80	+2.3	255.25	+2.6	265.20	+3.9	270.30	+1.9	<b>278.70</b>	<b>+3.1</b>
Savings Credit threshold - Single	126.50	+5.1	133.82	+5.8	137.35	+2.6	140.67	+2.4	144.38	+2.6	150.47	+4.2	153.70	+2.1	<b>158.47</b>	<b>+3.1</b>
Savings Credit threshold - Couple	201.80	+5.1	212.97	+5.5	218.42	+2.6	223.82	+2.5	229.67	+2.6	239.17	+4.1	244.12	+2.1	<b>251.70</b>	<b>+3.1</b>
Savings Credit maximum award - Single	14.82	-11.8	13.07	-11.8	13.20	+1.0	13.40	+1.5	13.73	+2.4	13.97	+1.7	14.04	+0.5	<b>14.48</b>	<b>+3.1</b>
Savings Credit maximum award - Couple	17.43	-15.8	14.75	-15.4	14.90	+1.0	14.99	+0.6	15.35	+2.4	15.62	+1.8	15.71	+0.6	<b>16.20</b>	<b>+3.1</b>
<b>Benchmarks for uprating</b>																
Consumer Prices index (CPI)		+1.2		-0.1		+1.0		<b>+3.0</b>		+2.4		+1.7		+0.5		<b>+3.1<sup>(a)</sup></b>
Earnings <sup>(a)</sup>		+0.6		<b>+2.9</b>		+2.4		+2.2		<b>+2.6</b>		<b>+3.9</b>		-1.0		+8.3
Triple-lock (highest of CPI, earnings or 2.5%)		<b>+2.5</b>		<b>+2.9</b>		<b>+2.5</b>		<b>+3.0</b>		<b>+2.6</b>		<b>+3.9</b>		<b>+2.5</b>		<b>+8.3</b>

**Notes:** a) Suspension of the triple lock in 2022/23 resulted in uprating by CPI.

**Source:** DWP proposed benefit and pension rates, various editions.



## 3

## Universal Credit

See our briefing on [Coronavirus: Universal Credit during the crisis](#) for more on how UC changed during the Covid-19 pandemic, as well as our [Universal Credit constituency data dashboard](#) for the latest numbers of people and households on UC in each constituency.

Universal Credit (UC) was launched in 2013 to replace six ‘legacy’ forms of means-tested support for working-age families (income-based JSA; income-related ESA; Income Support; Child Tax Credit; Working Tax Credits; and Housing Benefit for working-age claimants).

Rollout of the digital ‘full service’ to all jobcentres in Great Britain was completed by the end of 2018. New claims for legacy benefits can no longer be made, with limited exceptions.

### UC amounts and their legacy equivalents

The various components of a Universal Credit award are listed below alongside their equivalents in the legacy system.

Universal Credit amount	Corresponding feature of the legacy system	
Standard allowance	Personal allowances in JSA / ESA / Income Support	
Child amounts	Child Tax Credit child elements (and family element if first child born 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 April 2017.
Limited Capability for Work and Work-Related Activity amount	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	70% eligible costs covered in WTC and 85% in UC.

UC amounts are calculated monthly. In 2020/21 a temporary increase worth £86.67 a month (around £20 per week) was added to the standard allowances in response to the coronavirus outbreak (see section 1.4).

In his Budget speech on 3 March 2021, the Chancellor announced that the uplift in the UC standard allowances would continue for a further six months, covering April to September 2021.<sup>20</sup>

From 1 October 2021 the uplift was removed from the UC standard allowances.

The temporary nature of the UC uplift was noted in the Coronavirus Act 2020. It stipulated that the temporary nature means it should be disregarded in statutory annual reviews of benefit rates relative to price inflation.<sup>21</sup>

In line with this, the Universal Credit standard allowances announced for 2022/23 are based on a 3.1% uplift of 2021/22 rates without the £20pw coronavirus-related increase.

The announced UC amounts for 2022/23 are set out in Table 3 on page 19. The time series in the table shows annual uprating once the UC uplift has been removed.

## Work allowances

UC work allowances are the monthly earnings levels that a household can have before its UC award starts to be reduced ('tapered'). Work allowances apply to households with children or households where a member has a limited capability for work.

There are two work allowances: a higher work allowance for families that don't claim support for housing rental costs, and a lower work allowance for those that do. The rationale for having a less generous work allowance for the latter group was to "target resources fairly", taking account of the higher UC awards that housing-cost claimants receive.<sup>22</sup>

When net earnings exceed the work allowance, the UC award is subject to a taper rate. In 2021/22 the taper rate was originally set at 63%. This meant 63p was removed from the UC award for every £1 of net earnings above the work allowance.

The [Autumn Budget and Spending review 2021](#) announced that the taper rate would be **reduced to 55%** and work allowances would increase by £500 per year. The changes were introduced on 24 November 2021.<sup>23</sup>

Work allowances have undergone several structural changes since UC was first introduced. Further details of these changes can be found in previous

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<sup>20</sup> The Rt Hon Rishi Sunak MP, [Budget Speech 2021](#), 3 March 2021

<sup>21</sup> [Coronavirus Act 2020 section 77\(2\) and \(3\)](#)

<sup>22</sup> [DWP Universal Credit Policy Briefing Note 14: Earnings disregards and tapers](#): on National Archives website

<sup>23</sup> [DWP Universal Credit work allowances, update 24 November 2021](#)

editions of the Benefits Uprating briefing series (see section 6 for links to previous editions).

The default budgetary assumption is that work allowances increase broadly in line with CPI inflation. This is the case in 2022/23 – both work allowances will rise broadly in line with CPI inflation rate of 3.1%, allowing for rounding to the nearest pound:

- Higher work allowance: from £557 to **£573** per month (+2.9%)
- Lower work allowance: from £335 to **£344** per month (+2.7%)

(Note that these increases are based on the 2021/22 allowances with the £500 increase added.)

## Childcare costs amount

Since 2016/17, the Universal Credit childcare costs amount covers the equivalent of 85% of eligible childcare costs.<sup>24</sup> The maximum amounts are calculated as follows:

- Maximum for one child: 85% of £175 per week = £149.16 per week = **£646.35** per month
- Maximum for two or more children: 85% of £300 per week = £255.70 per week = **£1,108.04** per month

As is the case with the Working Tax Credit childcare element (see section 5), these amounts are not subject to annual uprating and so remain at these cash levels in 2022/23.

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<sup>24</sup> First announced in HM Treasury, [Budget 2014](#), HC 1104, 19 March 2014 para 1.182 ; confirmed for 2016/17 in HM Treasury, [Autumn Statement 2014](#), Cm 8961, para 1.229.

**Table 3: Universal Credit rate changes (series excludes uplift payments in 2020/21 and 2021/22)**

	2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23	
	£ per month	% incr.	£ per month	% incr.	£ per month	% incr.	£ per month	% incr.	£ per month	% incr.	£ per month	% incr.	£ per month	% incr.
<b>Standard allowance</b>														
Single under 25	251.77	+0.0	251.77	+0.0	251.77	+0.0	251.77	+0.0	256.05	+1.7	257.33	+0.5	<b>265.31</b>	<b>+3.1</b>
Single 25 or over	317.82	+0.0	317.82	+0.0	317.82	+0.0	317.82	+0.0	323.22	+1.7	324.84	+0.5	<b>334.91</b>	<b>+3.1</b>
Joint claimants both under 25	395.20	+0.0	395.20	+0.0	395.20	+0.0	395.20	+0.0	401.92	+1.7	403.93	+0.5	<b>416.45</b>	<b>+3.1</b>
Joint claimants, one or both 25 or over	498.89	+0.0	498.89	+0.0	498.89	+0.0	498.89	+0.0	507.37	+1.7	509.91	+0.5	<b>525.72</b>	<b>+3.1</b>
<b>Limited capability for work amount</b>	126.11	+0.0	126.11	+0.0	126.11	+0.0	126.11	+0.0	128.25	+1.7	128.89	+0.5	<b>132.89</b>	<b>+3.1</b>
<b>Limited capability for work &amp; work-related activity</b>	315.60	+0.0	318.76	+1.0	328.32	+3.0	336.20	+2.4	341.92	+1.7	343.63	+0.5	<b>354.28</b>	<b>+3.1</b>
<b>Child amount</b>														
Standard amount per child	231.67	+0.0	231.67	+0.0	231.67	+0.0	231.67	+0.0	235.83	+1.8	237.08	+0.5	<b>244.58</b>	<b>+3.1</b>
First child born prior to 6 April 2017 <sup>(b)</sup>	277.08	+0.0	277.08	+0.0	277.08	+0.0	277.08	+0.0	281.25	+1.5	282.50	+0.4	<b>290.00</b>	<b>+2.7</b>
<b>Disabled child addition: lower rate</b>	126.11	+0.0	126.11	+0.0	126.11	+0.0	126.11	+0.0	128.25	+1.7	128.89	+0.5	<b>132.89</b>	<b>+3.1</b>
<b>Disabled child addition: higher rate</b>	367.92	+0.0	372.30	+1.2	383.86	+3.1	392.08	+2.1	400.29	+2.1	402.41	+0.5	<b>414.88</b>	<b>+3.1</b>
<b>Carer amount</b>	150.39	+0.0	151.89	+1.0	156.45	+3.0	160.20	+2.4	162.92	+1.7	163.73	+0.5	<b>168.81</b>	<b>+3.1</b>
<b>Childcare costs amount <sup>(c)</sup></b>														
Maximum for 1 child	646.35		646.35		646.35		646.35	+0.0	646.35	+0.0	646.35	+0.0	<b>646.35</b>	<b>+0.0</b>
Maximum for 2+ children	1,108.04		1,108.04		1,108.04		1,108.04	+0.0	1,108.04	+0.0	1,108.04	+0.0	<b>1,108.04</b>	<b>+0.0</b>
<b>Work allowances</b>														
Higher work allowance ( <i>no housing amount</i> )	397.00		397.00	+0.0	409.00	+3.0	503.00	+23.0	512.00	+1.8	557.00 (a)	+8.8	<b>573.00</b>	<b>+2.9</b>
Lower work allowance ( <i>with housing amount</i> )	192.00		192.00	+0.0	198.00	+3.1	287.00	+44.9	292.00	+1.7	335.00 (a)	+14.7	<b>344.00</b>	<b>+2.7</b>
<b>Taper rate</b>	65%		63%		63%		63%		63%		63%		<b>55%</b>	
<b>Up-rating benchmarks (for comparison)</b>														
Consumer Prices index (CPI)		-0.1		+1.0		+3.0		+2.4		+1.7		+1.7		<b>+3.1</b>
Earnings		+1.8		+2.4		+2.2		+2.6		+3.9		+3.9		<b>+8.3</b>
Retail Prices Index (RPI)		+0.8		+2.0		+3.9		+3.3		+2.4		+2.4		<b>+4.9</b>

**Notes:**

The '% increase' shown can differ slightly from the relevant uprating benchmark due to rounding and uprating conventions. **(a)** 2021/22 work allowance shown include annual £500 increase as announced in Autumn Budget 2021.

**(b)** The difference between the standard child amount and the amount for first child born before 6 April 2017 is equivalent to the non-uprated £545 p.a. Child Tax Credit family element, also only available to families whose first child was born before this date. **(c)** Childcare cost amounts are not subject to periodic uprating. The childcare cost amount covers 85% of eligible childcare costs.

**Source:** DWP benefit and pension rates, various editions

## 4 Other benefits

Tables 4a and 4b on pages 24 and 25) set out the main benefits that are subject to annual upgrading review.

### 4.1 Disability and carers' benefits

The DWP is required to increase a range of disability and carers' benefits each year, at least in line with inflation. These include Attendance Allowance, Disability Living Allowance, Personal Independence Payment, Carer's Allowance, Severe Disablement Allowance, and Industrial Injuries Disablement Benefit. Each of these benefits is to be increased in 2022/23 broadly in line with the CPI inflation rate of 3.1%.

### 4.2 Child Benefit

Child Benefit is administered by HM Revenue and Customs (HMRC). 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 was frozen again (along with most other working-age benefits) for four years between 2016/17 and 2019/20. Price indexation resumed in 2020/21.

In 2022/23 it is expected that Child Benefit will rise **in line with CPI (+3.1%)**, although this is provisional (see section 1.2):

- For the eldest child, it rises from £21.15 to **£21.80** per week.
- For each subsequent child, from £14.00 to **£14.45** per week.

See our briefing on the [High Income Child Benefit Charge](#) for further background on this policy.

Since January 2013, Child Benefit has been recovered from families where the highest earner has a gross annual income in excess of £50,000 through the 'High Income Child Benefit Charge'. If a family has someone earning £60,000 or more, Child Benefit is completely withdrawn. These thresholds are not subject to indexation and have not changed since they were first introduced.

**Table 4a: Disability and carers' benefits, child and parental benefits**

	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23	
	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.	£ per week	% incr.
<b>Attendance Allowance <sup>(a)</sup></b>																
Higher Rate	82.30	+1.2	82.30	+0.0	83.10	+1.0	85.60	+3.0	87.65	+2.4	89.15	+1.7	89.60	+0.5	<b>92.40</b>	<b>+3.1</b>
Lower Rate	55.10	+1.2	55.10	+0.0	55.65	+1.0	57.30	+3.0	58.70	+2.4	59.70	+1.7	60.00	+0.5	<b>61.85</b>	<b>+3.1</b>
<b>Personal Independence Payment (PIP) and Disability Living Allowance (DLA) <sup>(a)</sup></b>																
PIP Daily Living: enhanced   DLA Care: highest	82.30	+1.2	82.30	+0.0	83.10	+1.0	85.60	+3.0	87.65	+2.4	89.15	+1.7	89.60	+0.5	<b>92.40</b>	<b>+3.1</b>
PIP Daily Living: standard   DLA Care: middle	55.10	+1.2	55.10	+0.0	55.65	+1.0	57.30	+3.0	58.70	+2.4	59.70	+1.7	60.00	+0.5	<b>61.85</b>	<b>+3.1</b>
DLA Care: lowest	21.80	+1.2	21.80	+0.0	22.00	+0.9	22.65	+3.0	23.20	+2.4	23.60	+1.7	23.70	+0.4	<b>24.45</b>	<b>+3.2</b>
PIP Mobility: enhanced   DLA Mobility: higher	57.45	+1.2	57.45	+0.0	58.00	+1.0	59.75	+3.0	61.20	+2.4	62.25	+1.7	62.55	+0.5	<b>64.50</b>	<b>+3.1</b>
PIP Mobility: standard   DLA Mobility: lower	21.80	+1.2	21.80	+0.0	22.00	+0.9	22.65	+3.0	23.20	+2.4	23.60	+1.7	23.70	+0.4	<b>24.45</b>	<b>+3.2</b>
<b>Carer's Allowance <sup>(a)</sup></b>	62.10	+1.2	62.10	+0.0	62.70	+1.0	64.60	+3.0	66.15	+2.4	67.25	+1.7	67.60	+0.5	<b>69.70</b>	<b>+3.1</b>
<b>Carer premium (in means-tested legacy benefits)</b>	34.60	+1.2	34.60	+0.0	34.95	+1.0	36.00	+3.0	36.85	+2.4	37.50	+1.8	37.70	+0.5	<b>38.85</b>	<b>+3.1</b>
<b>Severe Disablement Allowance (SDA) <sup>(a)</sup></b>																
Basic rate + higher age-related addition	85.80	+1.2	85.80	+0.0	86.65	+1.0	89.25	+3.0	91.40	+2.4	92.95	+1.7	93.40	+0.5	<b>96.30</b>	<b>+3.1</b>
<b>Industrial Injuries Disablement Benefit <sup>(a)</sup></b>																
Standard rate, 100% assessed disablement	168.00	+1.2	168.00	+0.0	169.70	+1.0	174.80	+3.0	179.00	+2.4	182.00	+1.7	182.90	+0.5	<b>188.60</b>	<b>+3.1</b>
<b>Child Benefit</b>																
First child	20.70	+1.0	20.70	+0.0	20.70	+0.0	20.70	+0.0	20.70	+0.0	21.05	+1.7	21.15	+0.5	<b>21.80</b>	<b>+3.1</b>
Each additional child	13.70	+1.1	13.70	+0.0	13.70	+0.0	13.70	+0.0	13.70	+0.0	13.95	+1.8	14.00	+0.4	<b>14.45</b>	<b>+3.2</b>
<b>Guardian's Allowance</b>	16.55	+1.2	16.55	+0.0	16.70	+0.9	17.20	+3.0	17.60	+2.3	17.90	+1.7	18.00	+0.6	<b>18.55</b>	<b>+3.1</b>
<b>Statutory Maternity/Paternity/Parental/ Adoption Pay; Maternity Allowance - std rate</b>																
	139.58	+1.0	139.58	+0.0	140.98	+1.0	145.18	+3.0	148.68	+2.4	151.20	+1.7	151.97	+0.5	<b>156.66</b>	<b>+3.1</b>
<b>Uprating benchmarks (for comparison)</b>																
Consumer Prices index (CPI)		+1.2		-0.1		+1.0		+3.0		+2.4		+1.7		+0.5		+3.1
Earnings		+0.6		+2.9		+2.4		+2.2		+2.6		+3.9		-1.0		+8.3
Retail Prices Index (RPI)		+2.3		+0.8		+2.0		+3.9		+3.3		+2.4		+1.1		+4.9

**Notes** '% increase' can differ from the relevant uprating benchmark due to rounding and uprating conventions. **(a)** The Scottish Government took over executive competence for Carer's Allowance in Scotland on 3 September 2018 and Attendance Allowance, PIP, DLA, IIDB and SDA on 1 April 2020. **Sources** Dept for Work and Pensions and HM Treasury

**Table 4b: Key out-of-work benefits for working-age claimants**

	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2021/22a		2021/22b		2022/23	
	£ 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.
<b>ESA, Income Support, JSA (income-based)</b>																		
<b>Personal allowances (selected rates):</b>																		
Single under 25/lone parent under 18	57.90	+1.0	57.90	+0.0	57.90	+0.0	57.90	+0.0	57.90	+0.0	58.90	+1.7	59.20	+0.5	59.20	+0.0	<b>61.05</b>	<b>+3.1</b>
Single 25+ / lone parent 18+	73.10	+1.0	73.10	+0.0	73.10	+0.0	73.10	+0.0	73.10	+0.0	74.35	+1.7	74.70	+0.5	74.70	+0.0	<b>77.00</b>	<b>+3.1</b>
Couple (both over 18)	114.85	+1.0	114.85	+0.0	114.85	+0.0	114.85	+0.0	114.85	+0.0	116.80	+1.7	117.40	+0.5	117.40	+0.0	<b>121.05</b>	<b>+3.1</b>
<b>Contribution-based JSA / New style JSA</b>																		
Under 25	57.90	+1.0	57.90	+0.0	57.90	+0.0	57.90	+0.0	57.90	+0.0	58.90	+1.7	59.20	+0.5	59.20	+0.0	<b>61.05</b>	<b>+3.1</b>
25 or over	73.10	+1.0	73.10	+0.0	73.10	+0.0	73.10	+0.0	73.10	+0.0	74.35	+1.7	74.70	+0.5	74.70	+0.0	<b>77.00</b>	<b>+3.1</b>
<b>Universal Credit - Standard allowances<sup>(a)</sup></b>																		
Single under 25	57.94	+1.0	57.94	+0.0	57.94	+0.0	57.94	+0.0	57.94	+0.0	78.87 (b)	+36.1	79.17 (c)	+0.4	59.22	-25.2	<b>61.06</b>	<b>+3.1</b>
Single 25 or over	73.14	+1.0	73.14	+0.0	73.14	+0.0	73.14	+0.0	73.14	+0.0	94.33 (b)	+29.0	94.70 (c)	+0.4	74.76	-21.1	<b>77.08</b>	<b>+3.1</b>
Joint claimants both under 25	90.95	+1.0	90.95	+0.0	90.95	+0.0	90.95	+0.0	90.95	+0.0	112.44 (b)	+23.6	112.91 (c)	+0.4	92.96	-17.7	<b>95.85</b>	<b>+3.1</b>
Joint claimants, one or both 25 or over	114.81	+1.0	114.81	+0.0	114.81	+0.0	114.81	+0.0	114.81	+0.0	136.71 (b)	+19.1	137.30 (c)	+0.4	117.35	-14.5	<b>120.99</b>	<b>+3.1</b>
<b>ESA components (added to personal allowances)</b>																		
Work-related activity group component <sup>(d)</sup>	29.05	+1.0	29.05	+0.0	29.05	+0.0	29.05	+0.0	29.05	+0.0	29.55	+1.7	29.70	+0.5	29.70	+0.0	<b>30.60</b>	<b>+3.0</b>
Support Group component	36.20	+1.3	36.20	+0.0	36.55	+1.0	37.65	+3.0	38.55	+2.4	39.20	+1.7	39.40	+0.5	39.40	+0.0	<b>40.60</b>	<b>+3.0</b>
<b>Uprating benchmarks (for comparison)</b>																		
Consumer Prices index (CPI)		+1.2		-0.1		+1.0		+3.0		+2.4		+1.7		+0.5		+0.5		+3.1
Earnings		+0.6		+2.9		+2.4		+2.2		+2.6		+3.9		-1.0		-1.0		+8.3
Retail Prices Index (RPI)		+2.3		+0.8		+2.0		+3.9		+3.3		+2.4		+1.1		+1.1		+4.9

**Notes** '% increase' can differ from the relevant uprating benchmark due to rounding and uprating conventions. **(a)** Universal Credit (UC) rates are expressed here in weekly amounts but UC is paid monthly. See table 3 for the official monthly UC amounts. **(b)** Rates for 2020/21 included the above-indexation increase provided in response to the coronavirus outbreak. **(c)** The UC standard allowance was set at different rates in 2021/22. The above-indexation increase provided in response to the coronavirus outbreak was extended to the first 6 months, before its removal in October 2021. **(d)** ESA Work Related Activity Component was abolished for new claimants from April 2017.

**Source** DWP proposed benefit and pension rates, various editions

## 4.3 Household benefit cap

From April 2013, the amount of benefits and tax credits that people of working age could receive was capped at £26,000 for a couple or lone parent household, or £18,200 for single adults without children.

As of 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
- **£23,000** for couples and lone parents in Greater London (**£15,410** for single adults with no children).

Although most benefits and tax credits subject to capping are CPI-indexed, the cap itself has never been uprated and will remain frozen at the same cash levels in 2022/23.

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## 5 Tax Credits

Under the [Tax Credits Act 2002](#), the Treasury is required to review the value of tax credit elements on an annual basis.

CPI became the default inflation benchmark for tax credits from 2011/12 onwards, as announced in the June 2010 Budget.<sup>25</sup> However, the Child Tax Credit (CTC) family element has never been uprated (£545 a year since the introduction of the current tax credit system in 2003). Also, the childcare element in Working Tax Credit (WTC) 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 applied to those core CTC and WTC elements that are conventionally inflation-linked. In 2020/21, these were indexed based on CPI again and in addition, the WTC basic element

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<sup>25</sup> Previously, the expectation had been that the basic WTC would be reviewed in line with prices and CTC in line with earnings – see [HL Deb 23 May 2002 vol 635 c144GC](#) [Lords Committee Stage of the Tax Credits Bill]



received a £20 per week above-indexation uplift (+£1,045 for the year) in response to the coronavirus outbreak (see section 1.4 above).

The uplift to the basic element of WTC was not extended in 2021/22, although WTC claimants did receive a one-off payment of £500. This was to provide equivalent support to the £20 per week uplift to Universal Credit, which had been extended for a further six months.<sup>26</sup>

For 2021/22, all normally uprated elements were increased in line with CPI (+0.5%). The announced rate of the WTC basic element was based on the originally announced amount for 2020/21 (before the £20pw coronavirus-related uplift was added) plus 0.5%.

In 2022/23 it is expected that these elements will again rise in line with CPI (+3.1%), although this is provisional (see section 1.2).

## Claiming tax credits

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 the claimant's circumstances and, if the claimant's income has changed from what it was initially projected to be, it may retrospectively change their tax credit award. The 'income disregard' is the amount a household's income can increase by in the tax year without triggering a review of its entitlement. This remains unchanged at £2,500 in 2022/23.

Tax credit rates and thresholds for 2022/23 and the preceding seven years are shown in table 5 (below).

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<sup>26</sup> [5 HC Deb 3 March 2021 c251](#). Tax credits are calculated on an annual cycle based on the tax year, so increasing payments temporarily for six months is less straightforward than in UC, where awards are calculated monthly.

**Table 5: HMRC Child and Working Tax Credits rates and thresholds**

£ per year unless otherwise stated

	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23	
	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.	£ per year	% incr.
<b>Child Tax Credit</b>																
Family element <sup>(a)</sup>	545	+0.0	545	+0.0	545	+0.0	545	+0.0	545	+0.0	545	+0.0	545	+0.0	<b>545</b>	<b>+0.0</b>
Child element	2,780	+1.1	2,780	+0.0	2,780	+0.0	2,780	+0.0	2,780	+0.0	2,830	+1.8	2,845	+0.5	<b>2,935</b>	<b>+3.2</b>
Disabled child element (additional)	3,140	+1.3	3,140	+0.0	3,175	+1.1	3,275	+3.1	3,355	+2.4	3,415	+1.8	3,435	+0.6	<b>3,545</b>	<b>+3.2</b>
Severely disabled child element (additional)	4,415	+1.4	4,415	+0.0	4,465	+1.1	4,600	+3.0	4,715	+2.5	4,800	+1.8	4,825	+0.5	<b>4,975</b>	<b>+3.1</b>
<b>Working Tax Credit</b>																
Basic element	1,960	+1.0	1,960	+0.0	1,960	+0.0	1,960	+0.0	1,960	+0.0	3,040 (b)	+55.1	2,005 (c)	-34.0	<b>2,070</b>	<b>+3.2</b>
Couples and lone parent element	2,010	+1.0	2,010	+0.0	2,010	+0.0	2,010	+0.0	2,010	+0.0	2,045	+1.7	2,060	+0.7	<b>2,125</b>	<b>+3.2</b>
30 hour element	810	+1.3	810	+0.0	810	+0.0	810	+0.0	810	+0.0	825	+1.9	830	+0.6	<b>860</b>	<b>+3.6</b>
Disabled worker element	2,970	+1.2	2,970	+0.0	3,000	+1.0	3,090	+3.0	3,165	+2.4	3,220	+1.7	3,240	+0.6	<b>3,345</b>	<b>+3.2</b>
Severely disabled adult element	1,275	+1.6	1,275	+0.0	1,290	+1.2	1,330	+3.1	1,365	+2.6	1,390	+1.8	1,400	+0.7	<b>1,445</b>	<b>+3.2</b>
<b>Childcare element</b>																
Maximum eligible costs allowed ( <b>£ per week</b> )																
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	<b>175</b>	<b>+0.0</b>
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	<b>300</b>	<b>+0.0</b>
Percentage of eligible costs covered	70%		70%		70%		70%		70%		70%		70%		<b>70%</b>	
<b>Income thresholds and withdrawal rates</b>																
Income threshold	6,420	+0.0	6,420	+0.0	6,420	+0.0	6,420	+0.0	6,420	+0.0	6,530	+1.7	6,565	+0.5	<b>6,770</b>	<b>+3.1</b>
Withdrawal rate	41%		41%		41%		41%		41%		41%		41%		<b>41%</b>	
Income threshold for those entitled to Child Tax Credit only	16,105	+0.6	16,105	+0.0	16,105	+0.0	16,105	+0.0	16,105	+0.0	16,385	+1.7	16,480	+0.6	<b>17,005</b>	<b>+3.2</b>
Income increase disregard	5,000		2,500		2,500		2,500		2,500		2,500		2,500		<b>2,500</b>	
Income fall disregard	2,500		2,500		2,500		2,500		2,500		2,500		2,500		<b>2,500</b>	
<b>Up-rating benchmarks (for comparison)</b>																
Consumer Prices index (CPI)		+1.2		-0.1		+1.0		+3.0		+2.4		+1.7		+0.5		+3.1
Earnings		+0.6		+2.9		+2.4		+2.2		+2.6		+3.9		-1.0		+8.3
Retail Prices Index (RPI)		+2.3		+0.8		+2.0		+3.9		+3.3		+2.4		+1.1		+4.9

**Notes** '% increase' can differ from the relevant uprating benchmark due to rounding and uprating conventions. **(a)** CTC family element is only available if the eldest child was born before 6 April 2017. **(b)** Enhanced WTC basic element for 2020/21 (£1,995 normal amount plus £1,045 above indexation) provided in response to the coronavirus outbreak. **(c)** Not including £500 one-off payment made to WTC claimants in response to the coronavirus outbreak.

## 6

## Previous editions of the ‘Benefits Uprating’ series

This briefing is the latest in an annual series from the Commons Library, which started in 1999. Earlier editions are as follows, listed alongside the corresponding official 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
1999/00	<a href="#">SN00195</a>	<a href="#">28 Oct 1998 cc339-55</a>			
2000/01	<a href="#">SN00300</a>	<a href="#">9 Nov 1999 cc907-20</a>			
2001/02	<a href="#">SN00577</a>	<a href="#">9 Nov 2000 cc451-71</a>			
2002/03	<a href="#">SN01715</a>	<a href="#">28 Nov 2001 cc972-89</a>			
2003/04	<a href="#">SN01969</a>	<a href="#">18 Nov 2002 cc365-80</a>	<a href="#">19 Nov 2002 cc16-36WS</a>		
2004/05	<a href="#">SN02781</a>	<a href="#">10 Dec 2003 cc1087-99</a>	<a href="#">11 Dec 2003 cc106-18WS</a>		
2005/06	<a href="#">SN03275</a>	<a href="#">6 Dec 2004 cc905-16</a>	<a href="#">7 Dec 2004 cc86-96WS</a>		
2006/07	<a href="#">SN03819</a>	<a href="#">6 Dec 2005 cc741-53</a>	<a href="#">7 Dec 2005 cc102-12WS</a>		
2007/08	<a href="#">SN04177</a>	<a href="#">7 Dec 2006 cc451-62</a>	<a href="#">11 Dec 2006 cc42-74WS</a>		
2008/09	<a href="#">SN04537</a>	<a href="#">5 Dec 2007 cc841-51</a>	<a href="#">6 Dec 2007 cc101-18WS</a>		
2009/10	<a href="#">SN04901</a>	<a href="#">11 Dec 2008 cc693-702</a>	<a href="#">15 Dec 2008 cc87-100WS</a>		
2010/11	<a href="#">SN05198</a>	<a href="#">10 Dec 2009 cc518-26</a>	<a href="#">14 Dec 2009 cc66-92WS</a>		
2011/12	<a href="#">SN05805</a>	<a href="#">8 Dec 2010 cc309-18</a>	<a href="#">9 Dec 2010 cc47-60WS</a>		
2012/13	<a href="#">SN06172</a>	<a href="#">6 Dec 2011 cc163-72</a>	<a href="#">12 Dec 2011 cc72-86WS</a>		<a href="#">2012/13</a>
2013/14	<a href="#">SN06512</a>	<a href="#">6 Dec 2012 cc1029-39</a>	<a href="#">DEP2012-1830, 6 Dec 2012</a>		<a href="#">2013/14</a>
2014/15	<a href="#">SN06774</a>	n/a	<a href="#">9 Dec 2013 cc4-5WS</a>	<a href="#">2014/15</a>	<a href="#">2014/15</a>
2015/16	<a href="#">SN07054</a>	<a href="#">4 Dec 2014 cc442-8</a>	<a href="#">DEP2014-1568, 4 Dec 2014</a>	<a href="#">2015/16</a>	<a href="#">2015/16</a>
2016/17	<a href="#">CBP 7410</a>		<a href="#">HCWS328, 26 Nov 2015</a>	<a href="#">2016/17</a>	<a href="#">2016/17</a>
2017/18	<a href="#">CBP 7818</a>		<a href="#">HCWS287, 28 Nov 2016</a>	<a href="#">2017/18</a>	<a href="#">2017/18</a>
2018/19	<a href="#">CBP 8162</a>		<a href="#">HCWS268, 27 Nov 2017</a>	<a href="#">2018/19</a>	<a href="#">2018/19</a>
2019/20	<a href="#">CBP 8458</a>		<a href="#">HCWS1104, 23 Nov 2018</a>	<a href="#">2019/20</a>	<a href="#">2019/20</a>
2020/21	<a href="#">CBP 8806</a>		Statement: <a href="#">HCWS74, 4 Nov 2019</a> Deposited paper: <a href="#">DEP2019-1077, 29 Nov 2019</a>	<a href="#">2020/21</a>	<a href="#">2020/21</a>
2021/22	<a href="#">CBP 9131</a>		Statement: <a href="#">HCWS600, 25 Nov 2020</a> Deposited paper: <a href="#">DEP2020-0810, 25 Nov 2020</a>	<a href="#">2021/22</a>	<a href="#">2021/22</a>

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