

The Universal Credit (Removal of Two Child Limit) Bill: Briefing from CPAG

Second Reading, 3 February 2026

Summary

- CPAG strongly supports the Universal Credit (Removal of Two Child Limit) Bill and we ask all MPs to vote in favour of the Bill at its Second Reading on 3 February 2026.¹
- There are a record 4.5 million children living in poverty in the UK today – without this Bill this number is forecast to climb even further.
- The two-child limit is the key driver of this rise in child poverty, and removing the limit is the most cost-effective way to reduce child poverty.
- Scrapping the two-child limit is a win-win, increasing living standards for millions of children and families overnight, while also boosting health, educational and developmental outcomes for children, which go on to shape their future life chances.
- The majority of families affected by the limit have three children and are in work. The reasons why parents are out of work are largely either because someone in the family is disabled, or because they are caring for a young child.
- Voting for this Bill is absolutely critical to lift hundreds of thousands of children out of poverty, and is the only way to bring an end to the pernicious ‘rape clause’.

The Bill

Clause 1(1) of the Bill removes the two-child limit in universal credit in Great Britain by repealing the relevant provisions in the Welfare Reform Act 2012. Clause 1(2) repeals consequential provisions and Clause 1(3) revokes regulations that made exemptions to the two-child limit.

Clause 2(1) removes the two-child limit in Northern Ireland by making amendments to the Welfare Reform (Northern Ireland) Order 2015. Clause 2(2) repeals consequential provisions and Clause 2(3) revokes regulations that made exemptions to the two-child limit.

Clause 3 provides that the provisions to repeal the two-child limit will come into force on 6 April 2026. It also provides for the Secretary of State for Work and Pensions and the Department for Communities for Northern Ireland to make transitional provision related to the coming into force of the provisions of the Bill.

CPAG strongly supports this legislation and asks all MPs to support the Bill at its Second Reading on 3 February 2026.

¹ [Universal Credit \(Removal of Two Child Limit\) Bill](#), House of Commons Session 2024-26

Why action must be taken on the two-child limit

There are a record 4.5 million children living in poverty in the UK today, a rise of 850,000 since 2010, and without this Bill the number is forecast to rise even higher.² The key driver of this rise is the two-child limit, which affects more and more children every day due to the staggered roll-out, which would not have been complete until 2035. CPAG estimates that 109 children are pushed into poverty every day by the policy. If the government had not taken the decision to scrap the policy, child poverty would have been higher at the end of this parliament than at the start.

Removing the two-child limit will increase the living standards of 1.6 million children overnight, while also ensuring hundreds of thousands of children are no longer affected in the future. Investing in social security is also highly beneficial for children's health, development, educational and economic outcomes.³ An improved financial situation at home means better developmental outcomes, higher educational attainment and lower health costs in childhood. This leads to greater employment prospects and better health outcomes in adulthood. Public expenditure is therefore lower and tax revenue higher. Tackling child poverty is the right thing to do – for children and their families now and in the future, as well as for our public services and wider economy.

The two-child limit also breaks the important link between need and entitlement in the social security system. There are no significant economies of scale when it comes to children – there is a high additional cost for every child a family has, as highlighted by CPAG's recent Cost of a Child analysis.⁴

Repealing the two-child limit is also the only way to remove the non-consensual exemption from the statute books. Known as the rape clause, this provision requires mums to disclose details of their child's non-consensual conception in order to qualify for support for their children. More information is available in our separate briefing, but it is a policy that undermines the dignity and privacy of women, as well as regularly failing to provide the required support to families.⁵

Who will benefit

This Bill will make an absolutely critical difference to the lives and life chances of children up and down the country. Fifty-nine per cent of families affected by the two-child limit are in work, and this would rise to 70 per cent by the time the policy was fully rolled out.⁶ Sixty-two per cent of affected households have three children. In addition, the vast majority of out-of-work families affected by the two-child limit have a very good reason for not working – someone in the family is disabled, or because they are caring for a young child.⁷

We are concerned that not all families will fully benefit from the Bill. Where families have migrated from a legacy benefit onto universal credit through the managed migration process, they now risk their 'transitional protection' being wiped out as a result of being newly entitled to additional support under universal credit. While the benefit cap remains in place, families who were already subject to the cap will not be able to receive the support available for their children when the two-child limit is lifted, and in addition new families will find themselves subject to the benefit cap as a result of the additional

² CPAG's calculations from Households Below Average Income 2021/22 to 2023/34 and UKMOD tax-benefit microsimulation software. Results presented here are based on UKMOD version B1.13. UKMOD is maintained, developed and managed by the Centre for Microsimulation and Policy Analysis (CeMPA) at the University of Essex. The results and their interpretation are the author's sole responsibility.

³ M J Bailey and others, 'Is the Social Safety Net a Long-Term Investment? Large-Scale Evidence From the Food Stamps Program', *The Review of Economic Studies*, Volume 91, Issue 3, 2024, pp1291-1330

⁴ CPAG, [The Cost of a Child in 2025](#), 2025

⁵ CPAG, [The non-consensual conception exemption to the two-child limit – or the 'rape clause'](#), 2025

⁶ Department for Work and Pensions, [Universal Credit claimants statistics on the two child limit policy, April 2025](#), 2025

⁷ For more detailed analysis of two-child limit stats see CPAG and others, [Two-child limit statistics: new breakdowns show how the policy falls hardest on disadvantaged groups](#), 2025

payments. Thirty-four per cent of parents already affected by the cap are looking after very young children, and 69 per cent of capped parents are lone parents. We will continue to encourage government to resolve these issues so that all children can have the best start in life.

Testimonies from families affected

We have heard from many parents about how the removal of the two-child limit will mean a better childhood for their children. The case studies below illustrate how the additional support for third or subsequent children will help them meet the costs of basic essentials, such as food and groceries, a proper bed for children to sleep in, and utility bills. In this way, the Bill will help families on a low income manage cost of living pressures that are placing many under acute financial stress. It will also help families to be able to provide the components of a healthy, happy childhood: being able to pay for swimming lessons or an extra-curricular activity that a child really loves, or a birthday party or a holiday for a child who has never had one.

Claire⁸ and her partner have three children. Their eldest has special needs and Claire stopped work recently because he needs more support. Her partner works full time as a learning support assistant in a school. Sometimes Claire and her partner skip meals at the end of the month so that the children can eat. Claire is hoping that the extra support they will receive for their third child will mean they don't struggle as much to buy the groceries they need at the end of each month when money starts to run out. Claire's son has outgrown his bed and two of the children need new mattresses but these things are currently unaffordable. Claire would also like to give her son a small, 'cheap as possible' birthday party with a few friends – the first he will have ever had – as he is in his last year of primary school.

Shiobhan has three children and fosters a fourth child. She works full time during term time at a college. She says having support for each of her children will help with energy costs (she's in arrears) and with affording fresh fruit and vegetables for her children.

'I'd also like to put the little ones in swimming lessons. That's unaffordable for me now but I think it's an important life skill for them to have.'

Vicky has three children aged between eight and 15. She says:

'I'm a single mother who has always worked but my children have been pushed into hardship and they're being left behind. The extra money will go straight into my family – on the children's needs, including extra-curricular activities. My boys want to do boxing and football club but I can't afford for them to do more than a few sessions which means their better-off friends who can go weekly get ahead of them and so my boys lose confidence. And they lose friends because I can't afford for them to go to the tournaments.'

One mother of three children works part time and her husband full time but they're still paying off debt incurred during the Covid period.

'The children have only been back at school two weeks and already I'm in debt for school dinners and for upcoming school trips. If my child is the only child that doesn't go on the school trip then that will have an effect on him. Every month I do our budget to the last penny. My older daughter wants to go to football club but even at £5 per week I can't find money for it. She does musical theatre but I have to borrow from my mum to pay for that. With a bit more support, I wouldn't have to worry all the time about how I'm going to repay my mum. And the kids could have cereal for breakfast, not toast every day.'

⁸ Names have been changed.

Jenny, a single mum with four children aged between one and 17, says:

'[The abolition of the policy] will make a world of difference to all of us. It's been really tough this year. We're scrimping and saving and if there's an emergency – like car repairs needed – I have to choose between food or the repairs. There have been times when I don't eat. It will just take some pressure off. My children have never had a holiday – not even camping in the UK – and I would love to be able to give them just 3 nights away.'

Ashley is a single mum with four kids, the youngest of whom is three. She says:

'It will make a massive difference in helping me to afford the essentials. Hopefully it will mean not having to panic at the end of every month. My youngest wants to do gymnastics so the money might mean that's possible now and one of my sons wants to return to the football club. I had to pull him out of the club because of costs.'

Conclusion

We strongly commend government's decision to repeal the two-child limit and ask all MPs to support this Bill at Second Reading and beyond. Doing so will deliver tangible change for a huge number of children and lift many of them out of poverty. The limit is the key driver of rising child poverty and removing it is the most cost-effective way to reduce child poverty. Taking decisive action now will have a dual effect of increased living standards for millions of children and their families overnight, while also boosting wider economic, health and educational outcomes. The larger and sooner the investment in direct support for families the better. Every extra day that children and their families spend in poverty is detrimental for life chances, increasing the barriers to opportunity and constraining the long-term prosperity of the country.

About CPAG

Child Poverty Action Group works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high profile legal work to establish and protect families' rights. Child Poverty Action Group is a registered charity in England and Wales (294841) and Scotland (SC039339).