



Social security changes - April 2017

In April 2017, many social security changes come into force that affect children and young people. We outline their impact.

What has happened?	What does this mean?	Amount of cuts in 2019-20
<p>From 10 April 2017 Universal credit taper rate reduced from 65% to 63%</p>	<ul style="list-style-type: none"> • Claimants who work will be able to keep more money - 37p for every £1 earned in work above work allowances rather than 35p for every £1 earned. • Will affect about 173,000 people. 	<p>[cost of £0.4 billion]</p>
<p>From 6 April 2017 Universal credit, child tax credit and housing benefit two-child limit introduced</p>	<ul style="list-style-type: none"> • New claimants who have a third or subsequent child will not be eligible for support for that child or any future children, with limited exceptions. • Breaks the link between need and support - a fundamental pillar of our social security system. • Will leave families with more than two children with less money than they need to raise their family - £2,780 less for each ineligible child than they'd have got before this change. • Will push up to 200,000 more children into poverty. • Will affect about 510,000 families in 2019-20. 	<p>£1.2 billion</p>
<p>From 6 April 2017 Child tax credit family element, and first child element in universal credit scrapped for new claimants</p>	<ul style="list-style-type: none"> • Families will miss out on £545 a year. • Will affect about 970,000 families in 2019-20. 	<p>£0.54 billion</p>

<p>From 6 April 2017 Bereavement benefits replaced with bereavement support payment</p>	<ul style="list-style-type: none"> • 91% of newly-widowed parents will be supported for a shorter time, and 75% will be worse off in cash terms (by £12,000 for the average working parent, but by over £30,000 in certain circumstances). • Those with younger children will be disproportionately badly affected. 	<p>£0.1 billion a year once implemented</p>
<p>From 3 April 2017 Parents expected to do more to look for work under universal credit</p>	<ul style="list-style-type: none"> • All parents will have to start work-focused interviews when their youngest child turns 1, work preparation when that child turns 2, and looking for work when he or she turns 3. 	<p>Not applicable</p>
<p>From 3 April 2017 Employment and support allowance work-related activity component, and limited capability for work element in universal credit abolished</p>	<ul style="list-style-type: none"> • New ESA claimants, deemed to be fit to do work-related activity, will miss out on £1,510 per year. • Equivalent component in universal credit also abolished for new claimants. • There are currently 429,000 people in the work-related activity group. 	<p>£0.35 billion</p>
<p>From 3 April 2017 Employment and support allowance permitted work limit removed, and sanction levels reduced</p>	<ul style="list-style-type: none"> • Claimants who do permitted work for less than 16 hours a week, earning up to £120 a week, can carry on working and continue to claim after 52 weeks. • Sanctioned claimants will get 80% of their claim, rather than the 60% they got before - unless they receive the work-related activity component. 	<p>Figures not available</p>
<p>From 1 April 2017 Benefit cap exemptions related to earnings changed from a flat rate</p>	<ul style="list-style-type: none"> • Universal credit claimants become exempt from the benefit cap if they earn the equivalent of what they (a single person or at least one person within a couple) would earn from working 16 hours a week at the national living wage. 	<p>Figures not available</p>
<p>From 1 April 2017 Universal credit claimants aged 18-21 not eligible for the housing cost element</p>	<ul style="list-style-type: none"> • New claimants will not be eligible for the housing cost element, with some exceptions. 	<p>£0.035 billion</p>
<p>From April 2017 Universal credit claimants aged 18-21 subject to a new youth obligation</p>	<ul style="list-style-type: none"> • 18-21 year olds will have to either apply for an apprenticeship or training, or attend work placement, after six months on universal credit. 	<p>Not applicable</p>

Changes already in place

What has happened?	What does this mean?	Amount of cuts in 2019-20
<p>From 16 March 2017 Changes to personal independence payment assessment criteria</p>	<ul style="list-style-type: none"> • New regulations reverse effect of two upper tribunal decisions on daily living activity 3, 'managing therapy or monitoring a health condition', and mobility activity 1, 'planning and following journeys'. • Could affect up to 339,500 people. 	<p>£3.7 billion between 2016-17 and 2021-22</p>
<p>From November 2016 Benefit cap reduced from £26,000 to £23,000 in London / £20,000 outside London</p>	<ul style="list-style-type: none"> • Forecast to cut the benefit income of 116,000 households, including 320,000 children, by up to £115 per week. • Breaks the link between the needs of claimants and what they can claim, pushing many vulnerable households' incomes below subsistence levels. • Of households capped in November 2016 only between 13% and 21% were in a position where they were expected to seek work. 	<p>£3.05 billion</p>
<p>From April 2016 Most working-age benefits and child benefit frozen at 2015-16 levels for 4 years</p>	<ul style="list-style-type: none"> • With cost of living rising, all working-age claimants will be less able to buy the essentials. • Child benefit has increased only 2% since 2010. • A low-income family with two children will be almost £2,800 a year worse off by 2020 than they were ten years before. 	<p>£3.47 billion</p>
<p>From April 2016 Universal credit work allowances cut</p>	<ul style="list-style-type: none"> • Amount claimants can earn through work before their benefits start to be withdrawn has been cut. • A working couple will lose out on up to £1,370 a year through a combination of the freeze on benefits and the lower work allowance. • Single parents do even worse. A single parent on minimum wage would need to work 46 days extra a year, just to carry on providing for their kids at the same level as before the cuts. • Will affect almost all in-work claimants - 173,300 in January 2017. • These cuts explain about a third of the increase in the absolute poverty rate after housing costs for children in working households. 	<p>£2.85 billion</p>