

## **BENEFIT CAP INFORMATION SHEET**

### **Benefits affected by the cap**

The benefit cap is a limit on the total amount of benefit you can get. It applies to most people aged 16 or over who have not reached State Pension age.

The benefit caps affects:

- Universal Credit
- Bereavement Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance
- Housing Benefit
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Maternity Allowance
- Severe Disablement Allowance
- Widowed Parent's Allowance (or Widowed Mother's Allowance or Widow's Pension if you started getting it before 9 April 2001)

You might not be affected by the benefit cap if you get certain benefits or you are over State Pension age.

If you are claiming Universal Credit the benefit cap might not start for 9 months, depending on your earnings.

### **When does the benefit cap not affect you?**

You are not affected by the cap if you are over State Pension age. If you are part of a couple and one of you is under State Pension age, the cap may apply.

You are not affected by the cap if you or your partner:

- Get Working Tax Credit (even if the amount is £0)
- Get Universal Credit because of a disability or health condition that stops you from working (this is called 'limited capability for work and work-related activity')
- Get Universal Credit because you care for someone with a disability and receive the carer's element of Universal Credit
- Get Universal Credit and you and your partner earn £604 or more a month combined, after tax and National Insurance contributions.

You are also not affected by the cap if you, your partner or any children under 18 living with you gets:

- Armed Forces Compensation Scheme
- Armed Forces Independence Scheme
- Attendance Allowance
- Carer's Allowance
- Disability Living Allowance (DLA)
- Employment and Support Allowance (if you get the support component)
- Guardian's Allowance
- Industrial Injuries Benefit (and equivalent payments as part of a War Disablement Pension or the Armed Forces Compensation Scheme)
- Personal Independence Payment (PIP)
- War Pensions
- War Widow's or War Widower's Pension

If you are affected, the benefit cap might not start for 9 months – depending on your earnings.

### **When the benefit cap affects your Universal Credit payments**

The benefit cap might not affect your Universal Credit payments for up to 9 months. This is called the 'grace period'.

You will get the grace period if all of the following are true:

- You are claiming Universal Credit because you stopped working or your earnings went down.
- You are now earning less than £617 a month
- In each of the 12 months before your earnings went down or you stopped working, you earned the same as or more than the earnings threshold (this was £604 up to 11 April 2021 and is £617 from 12 April 2021)

Your partner's earnings will be included when working out how much you earned even if they are not claiming benefits. If you have separated from your partner, their earnings will be included for the time that you lived with them before you separated.

You need to report your last 12 months' earning when you apply for Universal Credit to get the grace period.

You will not be affected by the benefit cap if you or your partner get Universal Credit because you have a disability or health condition or because you care for someone with a disability or you earn £617 or more between you.

## **How the 9 month grace period works**

If you are already claiming Universal Credit, the grace period will start on the first day of the assessment period in which your earnings went below the earnings threshold. The threshold was £604 up to 11 April 2021 and is £617 from 12 April 2021.

If you are making a new claim for Universal Credit, the grace period starts from either:

- The day after the last day you worked
- The payday when your earnings went down below the earnings threshold (this was £604 up to 11 April 2021 and is £617 from 12 April 2021)

The 9 months grace period continues if you stop claiming Universal Credit and then start claiming again.

After the 9 month grace period ends, the amount of Universal Credit you get will usually go down. It might not go down if your circumstances change and you are not affected by the benefit cap.

## **Help with the benefit cap**

Call the Department of Work and Pensions (DWP) if you need help with the benefit cap.

If you get Universal Credit, contact DWP through the journal in your Universal Credit online account if you need help with the benefit cap.

If you rent the property that you live in, you may be able to claim discretionary housing payments to cover some or all of the shortfall.

If you get other benefits, telephone the DWP on 0800 169 0145

## **Benefit cap amounts**

The amount you get through the benefit cap depends on whether:

- You live inside or outside Greater London
- You are single or in a couple
- Your children live with you (if you are single)

If you are in a couple but you do not live together, you will get the amounts for a single person.

The benefit cap outside Greater London is:

- £384.62 per week (£20,000 a year) if you are in a couple
- £384.62 per week (£20,000 a year) if you are a single parent and your children live with you.
- £257.69 per week (£13,400 a year) if you are a single adult.

The benefit cap inside Greater London is:

- £442.31 per week (£23,000 a year) if you are in a couple
- £442.31 per week (£23,000 a year) if you are a single parent and your children live with you.
- £296.35 per week (£15,410 a year) if you are a single adult.