<u>Administrative Earnings Threshold to</u> rise for Universal Credit Jobseekers

Press release

Around 114,000 working people on Universal Credit will be supported to boost their wages, helping families improve their prospects and pay.



- Around 114,000 people on Universal Credit will be supported to increase their pay while getting access to more one-on-one time with a Work Coach.
- Workers on low incomes will be able to earn more and still receive intensive support.

The changes will bring tens of thousands of claimants of all ages across Great Britain into closer contact with a dedicated Work Coach focused on guiding them to increase their hours, progress in their chosen field, or pursue other opportunities — all aimed at helping jobseekers to earn more money.

For people that are fit to work, the Department for Work and Pensions (DWP) places Universal Credit claimants on low incomes into groups known as 'Light Touch' and 'Intensive Work Search'. The Administrative Earnings Threshold or AET determines which group a person is placed in based on how much they earn, and therefore how much support they receive to find work and develop a career.

Changes which come into force today (26 September), mean that people will remain in the Intensive Work Search Group until their earnings reach the new higher threshold. This will mean they continue to benefit from weekly or fortnightly meetings one on one with a dedicated Work Coach, for longer. A single claimant earning below £494 per calendar month and couples with combined earnings below £782 per calendar month will be eligible for the support.

The increased support will ensure claimants who are already in work but earn low pay will continue to receive support from a Work Coach until they are earning a secure income and forging a sustainable career, helping grow the

economy.

Existing claimants affected by these changes will receive a message in their journal and can talk to their Work Coach to understand what it means for them and help available. Claimants will receive this journal message at the end of their first full assessment period after 26 September.

The Chancellor announced plans last week to take this measure even further, as part of reforms to the welfare system, with the ambition to raise the AET higher in the coming months. This means more benefit claimants will benefit from the additional support on offer.

- The Administrative Earnings Threshold, which is set at an individual or household level, separates the 'Intensive Work Search' group and the 'Light Touch' group on Universal Credit.
- The current Administrative Earnings Threshold level for an individual claimant is £355 per calendar month and £567 per calendar month for couples. This is equivalent to a single claimant earning the National Living Wage working 8.62 hours per week and couples working 13.77 hours per week between them.
- Regulations which come into force today, Monday 26 September, will raise the Administrative Earnings Threshold level on Monday 26 September to £494 per calendar month for single claimants and £782 per calendar month for couples. In raising it, people will have to earn over the new higher level in order to enter into the Light Touch group.
- A claimant in the Light Touch group still has a claimant commitment but they are not tailored or reviewed regularly. They can also volunteer for Work Coach support.

Media enquiries for this press release

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