

Press release: 3 million households set to benefit from Universal Credit changes

Three million households across the country, including lone parents and those on the lowest incomes, are set to keep more of what they earn due to a £700 million boost to Universal Credit.

From today the taper rate, the rate at which a Universal Credit payment reduces as someone moves into work, will be lowered from 65p to 63p. The change means that some households could benefit by £425 a year.

Secretary of State for Work and Pensions, Damian Green, said:

Creating a welfare system that rewards work is central to our plan to build a fairer Britain for all. We want everyone to be able to get on and support their families. That's why through Universal Credit, when people start work they keep more of every pound they earn.

This complements the support that work coaches are already offering to help people progress in their jobs, to take on more hours and earn more money, by making sure it always pays to be in work.

Universal Credit replaces 6 benefits with a monthly payment that gradually reduces as earnings increase, making sure people are better off in work. Evidence shows people are also moving into jobs faster and staying in work longer than under the old system.

The new taper rate comes into force on 10 April for those claiming Universal Credit.

A couple with 2 children earning £30,000 a year could benefit by £425 a year.

Universal Credit replaces Jobseeker's Allowance, Employment and Support Allowance, Income Support, working and child tax credit and Housing Benefit. Claimants receive their Universal Credit in a monthly payment.

The new taper rate means a Universal Credit award is reduced by 63p for every £1 a claimant earns over their work allowance (compared to 65p previously).

Universal Credit is available for all new claims from single jobseekers, wherever they are in Great Britain. Nearly 15,000 new claims are made every week.

In May 2016 we started the expansion of Universal Credit to a wider range of claimants. In July 2017 we will increase roll-out to around 30 jobcentres a

month.

Current Work Allowance is £397 per month if your Universal Credit payment does not include housing support, or £192 per month if it does include housing support.

The reduced Universal Credit taper rate was announced in the Autumn 2016 budget.

See [Universal Credit at Work \(December 2015\)](#) for evidence showing that people are moving into jobs faster and staying in work longer than under the old system.

Media enquiries for this press release – 0203 267 5122

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