

Press release: Welfare reform success with 54,000 benefit cap households taking on more work

New figures show that around 54,000 households are no longer subject to the benefit cap, indicating that welfare reforms are working and more people are entering employment or have taken on more hours.

70% (140,000) of households on Housing Benefit were no longer capped in August 2018. This is an increase of 8,300 on the previous quarter (May 2018).

The benefit cap incentivises work, including part-time work, as claimants become exempt from the cap once they are in a job and are earning over a certain amount.

These figures come a day after Office for National Statistics (ONS) figures confirmed the number of children living in long-term workless households is down 580,000 since 2010, falling to its lowest level in more than a decade.

Work remains the best route out of poverty, with around 75% of children in poverty leaving poverty altogether when their parents move into full employment. Children living with a working adult do better in school, have better educational attainment and are more likely to be in work as adults.

Since the introduction of the benefit cap in April 2013, 205,000 households have had their benefits capped. Around 147,000 of these are no longer capped, and 54,000 households became exempt from the cap due to work.

The statistics also include the number of households on Universal Credit that have previously been subject to the cap, with 1,800 of these previously capped claimants exempt from the cap due to work.

The government has recently announced that it is spending an additional £1.7 billion a year on Universal Credit, increasing by £1,000 each the amount that 2.4 million households can earn each year before their Universal Credit begins to be withdrawn.

Work and Pensions Secretary Esther McVey, said:

Our welfare reforms are supporting more and more people into work – in fact since 2010 we have seen an average of 1,000 more people moving into employment each and every day.

Under the old system, over 1 million people spent most of a decade trapped on benefits. In stark comparison we now have seen record levels of employment.

And the benefit cap ensures we have a fairer system – fair for the

taxpayer and fair for claimants – as well as a system that incentivises work. So it's not surprising that we now have the lowest unemployment figures since 1975.

And with the latest budget announcements for Universal Credit, we will help even more families as we increase the amount people can earn by £1,000 before their benefit payment begins to be reduced – making sure it pays to work and it's a smooth transition into work.

Read the latest [benefit cap statistics](#)

More about these statistics

Under the benefit cap, anyone eligible who moves into work and then earns enough for Working Tax Credit (or the equivalent under Universal Credit) becomes exempt.

The estimate of the number of children in households that were capped but went into work is for households that had their Housing Benefit capped only. It is calculated by multiplying the number of children in these households by the number of households, which is available on [Stat-Xplore](#). Households with more than 5 children are grouped together, so for this calculation we have assumed that there are 6 children in these households.

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