



Department  
for Work &  
Pensions

Ministerial  
Correspondence  
Caxton House  
Tothill Street  
LONDON  
SW1H 9DA

0207 340 4000

[www.dwp.gov.uk](http://www.dwp.gov.uk)

[ministers@dwp.gsi.gov.uk](mailto:ministers@dwp.gsi.gov.uk)

**Rt Hon Sir George Howarth MP**  
House of Commons

Our ref: **MC2022/77954**

**11 November 2022**

Dear Sir George,

As you may know, your email of 22 September to the former Chancellor of the Exchequer has been passed to this Department for a response. You wrote on behalf of a number of your constituents about the cost of living crisis. I am replying as the Minister for Employment and I apologise for the delay.

The Energy Price Guarantee is supporting millions of households with rising energy costs, and the Chancellor made clear it will continue to do so from now until April next year. This is in addition to the help the Government is making available to most domestic electricity customers in Great Britain, with £400 non-repayable discount to eligible households provided through the expansion of the Energy Bills Support Scheme.

There are no plans to reinstate the temporary increase to Universal Credit. The Government understands the pressures people are facing with the cost of living. These are global challenges, but the Government has taken action to support and help families with cost-of-living pressures with a total package worth over £37 billion in 2022/23. The Government is supporting over eight million households across the UK in receipt of eligible means tested benefits with a one-off Cost of Living Payment of £650, paid in two instalments. We are also providing additional UK-wide support to help disabled people with the extra costs they face, with six million people who claim non-means tested disability benefits receiving a one-off disability Cost of Living Payment of £150. The Government's package of measures means that millions of low-income households will receive at least £1,200 of one-off support in total this year to help with the cost of living.

On the issue of deductions, the Government recognises the importance of supporting claimants to manage their liabilities. Under Universal Credit, there is a co-ordinated approach to deductions from benefit, which supports claimants to manage their financial obligations. The primary aim of deductions in Universal Credit is to protect vulnerable claimants by providing a last resort repayment method for arrears of essential services. We continue to aim to

strike the right balance between ensuring those protections are in place and allowing claimants to retain as much of their award as possible for day-to-day needs. The Government has reduced the deduction cap from 40 per cent to 25 per cent of the Standard Allowance in recent years. These reductions have helped hundreds of thousands of Universal Credit claimants to retain more of their award. Reducing the standard cap below 25 per cent would reduce the range of debts a claimants could address and risk vital obligations such as Child Maintenance payments not being made at all.

The benefit cap provides a strong work incentive and fairness for hard-working taxpaying households and encourages people to move into work, where possible. Getting our claimants back into work remains the primary concern and, of course, returning to employment will significantly increase the likelihood of a household not being affected by the cap. There is, however, a statutory duty to review the levels of the cap at least once in each Parliament and this will happen at the appropriate time.

Providing support for a maximum of two children ensures fairness by asking families in receipt of benefits to make the same financial decisions as families supporting themselves solely through work. Families who support themselves solely through work would not usually see their wages increase simply because of the addition of a new child to their family. An out-of-work family with 6 children could previously receive up to £17,225 per year in Child Tax Credit alone. We recognise that some claimants are not able to make the same choices about the number of children in their family so there are exceptions to protect certain groups. Exceptions apply to third and subsequent children who are additional children in a multiple birth - all children in a multiple birth other than the first child. An exception also applies to third and subsequent children where they are likely to have been born as a result of non-consensual conception. For this purpose, non-consensual conception includes rape, or circumstances in which the claimant was in a controlling or coercive relationship with the child's other biological parent at the time of conception.

An exception also applies to any children in a household who are: adopted when they would otherwise be in local authority care; living long term with friends or family and would otherwise be at risk of entering the care system; or, under 16 living with their parents or carers and have a child of their own (until they make a separate claim upon turning 16). Families will continue to receive a child amount for any children born before 6 April 2017.

I hope this helps to explain the position.



**GUY OPPERMAN MP**  
**MINISTER FOR EMPLOYMENT**