



UK Emergency Budget June 2010

All benefits and tax credits will be uprated using the consumer price index (CPI) instead of the retail prices index and the Rossi index from April 2011. The likelihood is that there will be a 1% reduction in the value of benefits and tax credits in real terms each year.

Disability Living Allowance

From 2013/2014:

Introduction of an “objective medical assessment” for new and existing DLA claimants.

Jobseeker’s Allowance

From October 2011:

Lone parents whose youngest child is aged 5 or above will be eligible for Jobseeker’s Allowance rather than Income Support. Existing Income Support claimants will be transferred to Jobseeker’s Allowance from April 2012. This means that there will be less time for lone parents to gain the educational qualifications.

Tax Credits

From April 2011:

The second income threshold for the family element of Child Tax Credit will reduce from £50,000 to £40,000.

Both tapers will be aligned to 41%.

The baby element of Child Tax Credit will be removed.

The child element of Child Tax Credit will increase by £150 per annum above CPI indexation.

The income disregard between two tax years will decrease from £25,000 to £10,000.

From April 2012:

The child element of Child Tax Credit will increase by £60 above indexation.

The period for which a tax credit claim and certain changes of circumstances can be backdated will reduce from three months to one month.

From April 2013:

The income disregard between two tax years will decrease from £10,000 to £5,000.

From April 2012-2013:

Claimants whose wages fall during the year will have the first £2,500 of income they lose disregarded when their new in-year tax credit entitlement is calculated.

Sure Start Maternity Grant

From April 2011:

The Sure Start Maternity Grant will be restricted to the first child.

Health in Pregnancy Grant

From January 2011:

The Health in Pregnancy Grant will be abolished.

Child Benefit

From April 2011:

Child Benefit will be frozen for three years.

Housing Benefit and Housing Costs

From October 2010:

The standard interest rate used to calculate mortgage interest payments will be set at a level equal to the Bank of England's published monthly Average Mortgage Rate.

From April 2011:

Housing Benefit claimants with a disability and a non-resident carer will be entitled to funding for an extra bedroom.

Local Housing Allowance rates will be capped at £250 per week for a one bedroom property, £290 per week for a two bedroom property, £340 per week for a three bedroom property and £400 per week for a four bedroom property.

From 2011/2012:

Discretionary Housing Payments will be increased by £10 million and £40 million in each year from 2012/2013.

From April 2013:

Housing entitlements for working age people in the social sector will reflect family size.

Housing Benefit awards will be reduced to 90% of the initial award after a claimant has been on Jobseeker's Allowance for 12 months.

From 2013/2014:

Local Housing Allowance rates will be updated in line with the CPI.