



News in Brief

This News in Brief looks at the announcements made in the budget. More in-depth analysis will follow in our Spring Bulletin. We are beavering away on the 2021/2022 edition of our Advisers Guide – get your order in here:

www.welfare-benefits-unit.org.uk/publications/advisers-guide/

Universal Credit announcements

£20 uplift

The £20 per week increase to the Universal Credit standard allowance has been extended to September 2021 – an extra 6 months. The £20 is on top of the planned uprating and will apply to all claims – new and existing.

Minimum income floor

The suspension of the minimum income floor (MIF) for self-employed claimants will continue until the end of July 2021. The MIF will be gradually reintroduced from August, with discretion allowed where earnings are still affected by COVID-19 restrictions.

Surplus earnings threshold

The higher surplus earnings threshold of £2,500 will continue for another year, before being dropped to £300 from April 2022.

Debt deductions and advance repayments

The period over which Universal Credit advances will be recovered will increase to 24 months from April 2021, and the maximum rate at which deductions can be made from a Universal Credit award will reduce from 30% to 25% of the standard allowance.

Shared accommodation rate

Care leavers up to the age of 25 and those under the age of 25 who have spent at least three months in a homeless hostel will be exempt from the Shared Accommodation Rate from June 2021 (applies to Universal Credit and Housing Benefit)

Tax Credit announcements

Working Tax Credit uplift

The basic element in Working Tax Credit was increased by £20 per week due to COVID-19. Although the weekly increase will cease as planned on 5 April 2021, eligible

claimants will receive a one-off payment of £500 instead. Payments are due to be made by 23 April 2021 and you do not need to apply.

Working hours

Working Tax Credit claimants who have been furloughed or had a temporary reduction in their hours due to COVID-19 will continue to be treated as working their normal hours for the duration of the Coronavirus Job Retention Scheme.

Self-employed Income Support Scheme

Two further grants will be available to eligible self-employed workers. The fourth grant will cover February to April 2021, payable at 80% of three months' worth of average trading profit, capped at £2,500 (£7,500 in total). The fifth grant (also capped at £7,500 in total) will cover May to September 2021 and will require a financial impact declaration which will determine the level of the grant payable.

Further details are available on all the budget announcements here:

www.gov.uk/government/publications/budget-2021-documents

