

**Benefit Changes in the
HM Treasury Spring Budget 2021
(Last update 3/3/2021)**
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Area of Benefits Affected	Benefit Change	Reference- Spring Budget date 3 3 2021 - 107 page document
Benefit changes		
Covid-19(Coronavirus) related		reference
Universal Credit Standard Allowance increase- extended for 6 months , Working Tax Credit one off payment.	The standard allowance rate in Universal credit and Tax Credits were previously increased by £20 a week meaning claimants would be up to £1040 better off for one year from 6/4/2020. The Universal Credit Standard Allowance increase has been extended above scheduled rises for a further six months until October 2021. Costing £2.24 billion. The government will make a one-off payment of £500 to eligible Working Tax Credit recipients across the UK. Costing £0.785 billion.	2.19, 2.20 & 1.30. Table 2.1: Budget 2021 policy decision s
Universal Credit- self employed- minimum income floor	For the duration of the outbreak, the requirements of the minimum income floor in Universal Credit were temporarily relaxed initially until 30/4/2021 but now July 2021.	2.22
Universal Credit: maintain surplus earnings de minimis at £2,500 in 2021-22	Maintain the higher surplus earnings threshold of £2,500 for Universal Credit claimants for a further year until April 2022 , when the threshold will revert to £300.	2.21
Relaxation in Working Tax Credit hours requirement	Continue to treat Working Tax Credit claimants across the UK who have been furloughed, or experienced a temporary reduction in their working hours as a result of COVID-19, as working their normal hours for the duration of the CJRS. This allows these claimants to remain eligible for Working Tax Credit.	2.24
Shared Accommodation Rate (SAR)- Local Housing Allowance: accelerate introduction of further exemptions	From June 2021 , 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 SAR in Universal Credit and Housing Benefit (previously due to be implemented in October 2023).	2.28
Flexible Support Fund	Additional investment in the Flexible Support Fund which includes increasing the capacity of the Rapid Response Service in Great Britain. The Flexible Support Fund also provides local support to claimants by removing barriers to work such as travel expenses for attending interviews.	A.52

Universal Credit: debt deductions cap and advance repayments **From April 2021**, the period over which Universal Credit advances will be recovered will increase to 24 months, while the maximum rate at which deductions can be made from a Universal Credit award will reduce from 30% to 25% of the standard allowance (previously due to be implemented in October 2021). 2.23

Statutory Sick Pay (SSP) – refunds for employers Small and medium-sized employers across the UK will continue to be able to reclaim up to two weeks of eligible SSP costs per employee. This scheme is a temporary COVID-19 measure intended to support employers while levels of sickness absence are high. 2.44

Tackling DWP fraud and error Further investment to improve DWP’s capacity and capability to tackle welfare fraud and error. 2.62

Welfare Spending

£ billions	2020 / 21	2021 / 22	2022/ 23	2023 / 24	2024 / 25	2025 / 26
Welfare Cap	244.8	249.1	254.9	263.3	271.9	282.3

Table C.6

Non Benefit changes Covid-19(Coronavirus) related support

Coronavirus Job Retention Scheme- (CJRS)- (employees furlough) Extending the CJRS for a further five months from May until the end of September 2021. Employees will continue to receive 80% of their current salary for hours not worked. There will be no employer contributions beyond National Insurance contributions (NICs) and pensions required in April, May and June. From July, the government will introduce an employer contribution towards the cost of unworked hours of 10% in July, 20% in August and 20% in September. Costing £6.945 billion. 2.14, Table 2.1: Budget 2021 policy decisions

Self Employed Income Support Scheme (SEISS)- (self employed) The fourth SEISS grant will be worth 80% of three months’ average trading profits, paid out in a single instalment and capped at £7,500 in total. The grant will cover the period February to April, and can be claimed from late April. Self-employed individuals must have filed a 2019- 20 Self Assessment tax return to be eligible for the fourth grant. This means that over 600,000 individuals may be newly eligible for SEISS, including many new to self-employment in 2019- 20. All other eligibility criteria will remain the same as the third grant. 2.15, 2.16

There will be a fifth and final SEISS grant covering May to September. The value of the grant will be determined by a turnover test, to ensure that support is targeted at those who need it the most as the

economy reopens. People whose turnover has fallen by 30% or more will continue to receive the full grant worth 80% of three months' average trading profits, capped at £7,500. People whose turnover has fallen by less than 30% will receive a 30% grant, capped at £2,850. The final grant can be claimed from late July.

Both grants costing a total of £11.165 billion.

Spring Budget date 3 3 2021 and Subsequent government announcements

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