

Benefit Caps Explained

Horsham Matters Resource Guide

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What is the Benefit Cap?

The Benefit Cap is a limit on the total weekly amount of benefit a working-age household can receive. It applies to the combined number of certain benefits and is designed to ensure that households on benefits do not receive more than the average earnings of working households.

The cap applies whether you receive Universal Credit (UC) or Housing Benefit. If your total benefits go over the limit, your UC will be reduced, or your Housing Benefit will be reduced if you are not claiming UC.

The amount you are capped depends on:

- Whether you are single or in a couple
- Whether you have children
- Where you live (London or outside London)

The Benefit Cap was last increased by 10.1% in 2023. Since its introduction in 2013, it has only been raised once and is not currently scheduled for any further increases.

Weekly Benefit Cap Rates	Outside London	Greater London
Couples (with or without children) or single claimants with children	£423.46	£486.98
Single adult households without children	£283.71	£326.29

What Does the Benefit Cap Affect?

The Benefit Cap mainly affects working-age people who are not in work or who work less than the required number of hours. If the cap applies, your housing support is usually reduced first.

You may be affected if you are claiming Housing benefit or UC and you are either:

- Out of work
- Working but earning below a set earnings threshold

You will not usually be affected if:

- You (or your partner) earn above the earnings threshold
- You receive certain disability-related benefits
- Claiming Carer's Allowance or the UC Carer Element
- You are over State Pension age

What Benefits Are Included in the Cap?

The cap applies to the total amount of certain benefits, including:

- Universal Credit
- Housing Benefit
- Child Benefit
- Child Tax Credit (legacy benefit)
- Employment and Support Allowance (ESA) and New Style ESA (unless you receive the support component)
- Income Support (legacy benefit)
- Jobseeker's Allowance (JSA) and New Style JSA

Some benefits, particularly disability and carer benefits such as Personal Independence Payment (PIP), and Carer's Allowance are not included in the cap.

The Child Benefit Cap (Two-Child Limit)

The two-child limit restricts the child element in Universal Credit to the first two children in most cases (some exceptions apply). This is separate from the overall weekly Benefit Cap but can affect the total amount a household receives. The two-child limit does not affect entitlement to Child Benefit, which can still be claimed for all children, including those beyond the first two born.

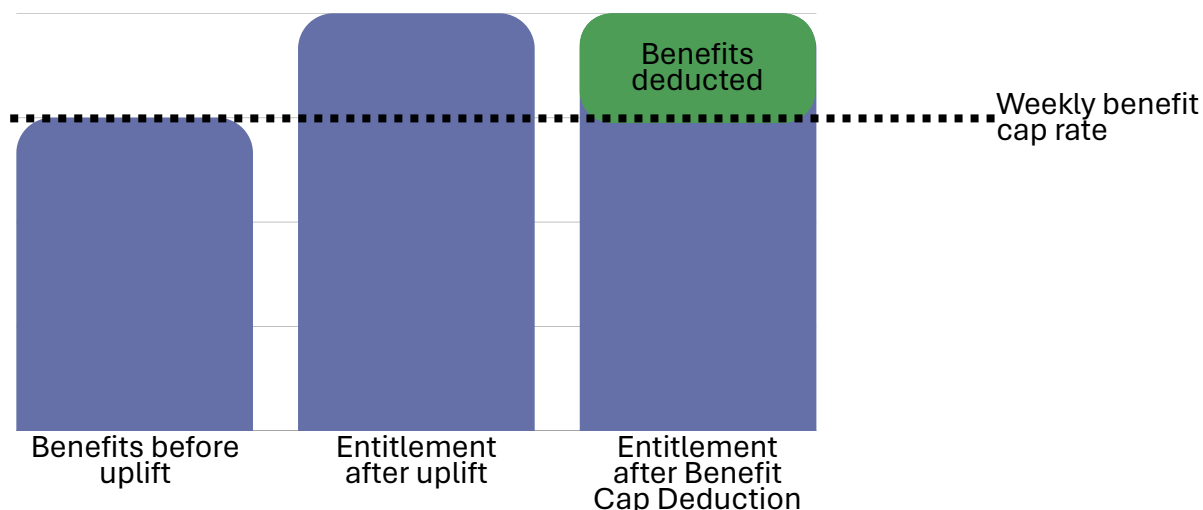
The two-child limit is due to be lifted from April 2026. This means that additional children born after the previous cut-off date of April 2017, will no longer be excluded from the child element in Universal Credit.

However, even if a household becomes entitled to more child-related support, the weekly Benefit Cap may still apply, and they may not benefit from the full financial gain.

Why Some People May Not Be Better Off

The weekly Benefit Cap is designed to encourage people to move into work. When the two-child limit is lifted, some families may become entitled to additional support. However, if no one in the household has a disability or qualifies for a carer exemption, the cap can still apply, limiting housing support and total benefits. As a result, families may not see the full financial gain from extra child-related support, since total benefits cannot exceed the capped amount.

Due to the cap setting a maximum limit on the total benefits you can get, some larger families or those with high rent may not see any extra money even if their benefit entitlement increases (for example, if they qualify for an additional child element or annual uplift in benefit rates). This is because their total benefits cannot go above the capped amount.



In Simple Terms

- If you are out of work, your housing support may be reduced by the cap.
- Even if your benefit entitlement goes up, your overall income may stay the same if the cap still applies.
- If you move into work and earn above the earnings threshold, the cap no longer applies, and your benefits will not be limited by it.
- If you have a disability or are a carer and are in receipt of certain disability or carer benefits, you will be exempt from the weekly Benefit Cap

Remember: If you need help or further guidance with the Benefit Cap, speak with a member of our support team at Horsham Matters for a referral to an advisor.

Call or WhatsApp: 0300 124 0204

Email: support@horshammatters.org.uk

Helpful Links

- Horsham Matters – Support: <https://www.horsham-matters.org.uk/get-help-now/>
- GOV UK: <https://www.gov.uk/benefit-cap>
- Better off calculator: <https://www.entitledto.co.uk/help/better-off-calculation>
- Horsham District Council (HDC), Council Tax Support: <https://www.horsham.gov.uk/council-tax-and-benefits/council-tax/council-tax-support-discounts-and-exemptions>
- WSCC Household Support: <https://www.westsussex.gov.uk/leisure-recreation-and-community/household-support-fund/>
- Age UK, Horsham: <https://www.ageuk.org.uk/westsussexbrightonhove/activities-and-events/horsham-district/>
- Carers Support West Sussex: <https://www.carerssupport.org.uk/>
- Prevention Assessment Team: <https://www.sussexcommunity.nhs.uk/patients-and-visitors/services/prevention-assessment-team>