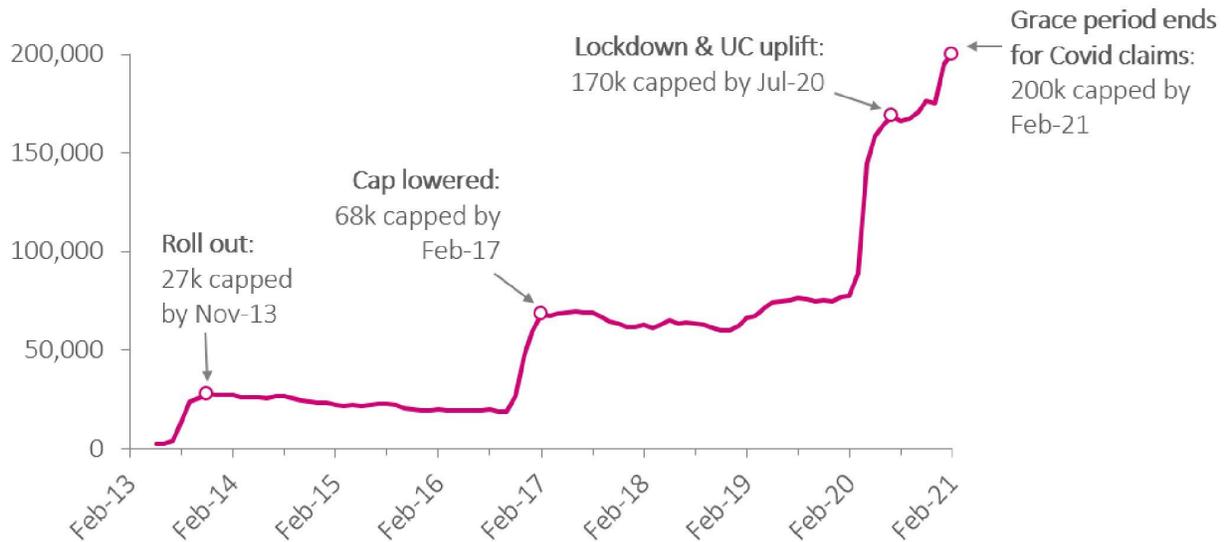


## How many families are affected by the benefit cap?

The data out today shows that, **in February 2021, when there was a nationwide lockdown, 200,000 families were subject to the benefit cap – 24,000 higher than three months earlier** and 122,000 higher than the previous year.

**Figure 1: Number of households capped**



In the quarter to February 2021, 43,000 households became capped for the first time. This is likely to be driven by families who started to claim UC at the beginning of the COVID-19 pandemic reaching the end of the nine-month grace period. They would therefore be subject to the cap if their monthly earnings were below £617 (at a time of a nationwide lockdown), and they had not consistently earned more than £617 a month in the previous year (during which various restrictions were in place).

“ The main driver of the rise is that people who lost work at the start of pandemic reached the end of the grace period.

The latest jump follows a doubling in the number of capped families at the beginning of the pandemic. This was partly due to the UC uplift and local housing allowance increases, which increased the benefit levels of some families above the cap and meant they only received a partial uplift. It was also partly because some of those who lost their jobs at the start of the pandemic could not evidence the required earnings history to benefit from the grace period, and were subject to the cap instantly. This is particularly true of those working in low-paid jobs where zero-hour contracts and insecure hours are more common, and workers have limited control over how many hours they work over the course of a week or a month. Parents and carers of children may also struggle to demonstrate their earnings history if they work part-time hours, for example a term-time job, in order to care for children.