

Universal Credit and the Benefit Cap

This factsheet in our Universal Credit series focuses on the Benefit Cap.

Topics covered include:

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1. What is the Benefit Cap?

The Benefit Cap reduces the amount of Universal Credit (or Housing Benefit) you can receive unless an exception applies – see sections [2](#) and [3](#).

The cap applies once your benefit entitlement (and that of your partner if you are in a couple) exceeds the following amounts:

- £1,413.92* per month if you are a single person and live in Greater London;
- or £2,110.25* per month if you are a couple or lone parent and live in Greater London.

*April 2024/5 figures

If your total benefit entitlement is more than the above limits, the DWP will deduct the excess from your Universal Credit, so your monthly award will be reduced. However, note that your UC will not be reduced if you are entitled to help with childcare costs in your UC and this is higher than the amount by which your benefits exceed the cap.

The following benefits are considered when deciding whether the cap applies:

- Universal Credit;
- Jobseeker's Allowance;
- Employment and Support Allowance (if neither you or your partner are in the support group);

- Child Benefit;
- Maternity Allowance;
- Widowed Parents Allowance;
- Widow's Pension.

Note that your full benefit entitlement is usually considered even if deductions are being applied (such as to repay an overpayment, council tax debts, payments to third parties, fines and sanctions).

2. Exceptions for people with ill health, disability or caring responsibilities

The Benefit Cap will only apply if you or your partner are receiving Universal Credit or working-age Housing Benefit. However, it will not apply if you or your partner receive any of the following:

- Universal Credit that includes a limited capability for work-related activity component;
- Employment and Support Allowance that includes a support component
- Carer's Allowance, Guardian's Allowance or Universal Credit that includes the carer element;
- Attendance Allowance;
- Personal Independence Payment, Disability Living Allowance (for yourself or a child) or Armed Forces Independence Payment. This exemption also applies if you are claiming for a child for whom you or your partner are responsible;
- Industrial Injuries Disablement Benefit, Reduced earnings Allowance or Retirement Allowance;
- a War Pension

An exemption also applies if you, your partner, or child are entitled to one of the above benefits, but payments have been suspended due to hospitalisation or residence in a care home.

3. Exceptions for workers or people who have recently stopped work

If the cap should be applied through your UC, it will not be applied if:

- you or your partner are working (either employed or self-employed) and you have net monthly earnings of at least £722.45¹ in your monthly assessment period². Your partner's earnings are added to yours; or
- you are within a 'grace period' after finishing work (see below).

The cap won't be applied during a nine month 'grace period' if:

- your earnings (or your joint earnings if you are in a couple) are now below £793 a month, but were at least £793³ a month in each of the previous 12 months⁴; or
- before your current period of entitlement to UC, you stopped work and your earnings were at least £793³ a month in each of the previous 12 months⁵.

[Get advice](#) if you are on maternity, adoption, paternity, parental/shared parental or bereavement leave, arguably you count as still being in work, although this isn't explicitly stated in the UC rules.

4. Help with the Benefit Cap

If you are struggling to pay your rent due to the Benefit Cap, you may be able to get a Discretionary Housing Payment (DHP). These are discretionary payments made by the council for residents who are experiencing exceptional difficulties or pressures and need extra help to meet their housing costs (such as to cover a rent shortfall).

You may also wish to apply if you:

- are affected by the bedroom tax but are unable to move due to rent arrears;
- are in rent arrears or have a rent shortfall and are at risk of being made homeless without support.

To qualify, you must be entitled to help with housing costs in your Universal Credit award. DHPs cannot

¹ 2024-5 figure

² Assessment Period – is the recurring monthly period beginning on the first day you claim Universal Credit.

cover shortfalls arising because ineligible charges are included in your rent (such as for water rates, meals, fuel charges and some service charges).

To apply: complete an online form on the [Royal Greenwich website](#). If you need a paper application, you can request one in the following ways:

- by calling the contact centre (020 8921 4900)
- emailing benefits@royalgreenwich.gov.uk
- [download it from the website](#).

Call 020 8921 3333 if you need help with the online form. The council will look at your income and circumstances and decide if you are eligible and how much help you can receive and for how long.

Residents affected by the Benefit Cap can also contact Royal Greenwich's Welfare Reform Team on 020 8921 2840 for advice and support.

5. Where to get more information

If you need benefits advice or would like to check if you are missing out on any entitlements, ring Royal Greenwich's:

**Welfare Rights Service
Public Advice Line
(for borough residents only)
020 8921 6375
Textphone 18001 020 8921 6375
Mon, Wed, Thurs: 10am -1pm**

If you need help with claims (including managing your Universal Credit claim), ring Royal Greenwich's:

**Universal Support Team
020 8921 3333
Mon to Fri, 10am-4pm**

You can also send an enquiry via the website using an [online contact form](#) or email universal-support@royalgreenwich.gov.uk. Alternatively, visit the Royal Greenwich website (www.royalgreenwich.gov.uk) to view our benefit pages, [download factsheets](#) or use our [online benefit calculator](#).

³ or the equivalent of the adult national minimum wage for 16 hours a week at that time, monthly) for each of the previous 12 months.

This was £722 in 2023/24

⁴ the threshold in 2022-23 was £658

⁵ the threshold in 2022-23 was £658

This factsheet is correct as of July 2024



Welfare Rights Service

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