

Uprating intentions for 2020/21

The Government has announced its annual uprating intentions for 2020/21 as follows:-

Welfare and Pensions Update: Written statement - HCWS74

Department for Work and Pensions Made on: 04 November 2019

Made by: [Dr Thérèse Coffey](#) (The Secretary of State for Work and Pensions)
HCWS74

Welfare and Pensions Update

I am announcing the proposed social security benefit and pension rates for 2020/21.

More than 10 million people in receipt of working-age benefits will see their payments increase at the rate of inflation next year.

2.5 million people on Universal Credit and claimants on legacy benefits will receive a 1.7% rise in April. This includes people receiving Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA), Income Support, Housing Benefit and Universal Credit.

The basic and new State Pensions will increase at the highest rate for eight years, by 3.9%, boosting the retirement incomes of 13 million people. Pensioners receiving the full new State Pension will get an extra £344 a year. The basic State Pension will increase by £263 a year.

The Pension Credit standard minimum guarantee for a couple will be £265.20 a week, the basic State Pension will be £134.25 per week, the full rate of the new State Pension will be £175.20 per week, and the Universal Credit standard allowance couple one or both over 25 will be £507.37 a month.

The annual up-rating of benefits will take place for state pensions and most other benefits in the first full week of the tax year. In 2020, this will be the week beginning 6 April.

A corresponding provision will be made in Northern Ireland and the Scottish Government will lay its own statutory instrument in respect of increases to Carer's Allowance in Scotland.

The annual up-rating process takes into account a variety of measures:

- The basic and new State Pensions will be increased by the Government's 'triple lock' commitment, meaning that they will be up-rated in line with the highest of prices (CPI), earnings or 2.5%. Consequently, they will be up-rated by 3.9% (the May-July Average Weekly Earnings figure).

- The Pension Credit Minimum Guarantee will also be increased by earnings in line with legislation. The Pension Credit Savings Credit maximum amount will be increased in line with CPI (1.7%).
- Benefits linked to the additional costs of disability, and for carers, are increased by the annual rise in prices (1.7%). A number of other elements – including Non-Dependent Deductions – will also be up-rated in line with prices.
- Working age benefits will be increased by CPI (1.7%) from April 2020. Those linked to child tax and working tax credits will be up-rated in line with those benefits.
- Universal Credit Work Allowances will be increased in line with CPI (1.7%) from April 2020.

The full list of proposed benefit and pension rates will be placed in the Libraries of the House in due course.

This will increase expenditure on social security benefit and pension rates by £5 billion. This includes £3.9 billion more to be spent on pensioner benefits. From April 2020 the yearly basic State Pension will be worth over £1900 more in cash terms than in 2010. £1 billion more will also be spent on working-age benefits, ensuring that we continue to support the most vulnerable in society.

This statement has also been made in the House of Lords: HLWS74

Source: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-11-04/HCWS74/>