

Uprating intentions for 2021/22

The Government has announced its annual uprating intentions for 2021/22 as follows: -

Social Security Benefit and Pension Uprating 2021/22

Statement made on 25 November 2020 UIN HCWS600

Department for Work and Pensions Made on 25 November 2020
Made by: Dr Thérèse Coffey (The Secretary of State for Work and Pensions)
Statement: UIN HCWS600

Statement

I have concluded my statutory annual review of benefit and State Pension rates. The new rates will apply in the tax year 2021/22 and come into effect on 12 April 2021. The Social Security (Up-rating of Benefits) Act 2020 enables me to increase the basic and new State Pensions and the Standard Minimum Guarantee in Pension Credit by providing a discretion to increase them for one year even though there has been no growth in earnings.

State pensions will be increased by 2.5%, in line with the Government's manifesto commitment. The full rate of the new State Pension will now be worth £179.60 per week. The Standard Minimum Guarantee in Pension Credit will also increase by the same cash amount as the basic State Pension, rising by 1.9%.

All other benefits will be increased in line with CPI - which was 0.5% in the relevant reference period. This includes working-age benefits, benefits to help with additional needs arising from disability, carers' benefits, pensioner premiums in income-related benefits, Statutory Payments, and Additional State Pension.

Separate to the uprating review, I can confirm that the increase to Local Housing Allowance rates in April this year will be maintained in cash terms in 2021/22. The assumption in the forecast is that rates will remain at these levels in future years, subject to the Secretary of State reviewing annually in the usual way.

All of these pensions and benefits are transferred to Northern Ireland, and corresponding provision will be made there. Some of these benefits are devolved to Scotland; in respect of these, the Scottish Government will bring forward corresponding legislation in the Scottish Parliament.

The statutory annual review is separate from the temporary £20 per week uplift to Universal Credit and Working Tax Credit, which was announced by the Chancellor as a temporary measure in March 2020, and enacted for one year under different legislation to support those facing the most financial disruption as a result of the public health emergency. As the Government has done throughout this crisis, it will continue to assess how best to support low-income families, which is why we will look at the economic and health context in the new year.

I will place the full list of proposed benefit and pension rates for 2021/22 in the Library of the House.

This statement was also made in the House of Lords HLWS593

Source:

<https://questions-statements.parliament.uk/written-statements/detail/2020-11-25/hcws600>