



**November 2025**

# Benefits Bulletin



**Grampian Advice Forum**

A local network for people working in money and benefits advice services

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## Understanding Pension Credit What Homeowners and Savers Need to Know

If you're over the age of 66 and concerned about your income, you may be eligible for Pension Credit, even if you own your home and have savings.

Pension Credit is a means-tested benefit for people over State Pension age (currently 66) who have a low income. It's separate from your State Pension and can boost your weekly income. Even if you own your home or have savings, you may still qualify

Getting Pension Credit can unlock:

- Free TV licence (if over 75)
- Council Tax reduction
- Winter Heating Support
- Help with NHS costs

[Understanding Pension Credit: What Homeowners and Savers Need to Know – advice.scot](https://www.advice.scot/understanding-pension-credit-what-homeowners-and-savers-need-to-know)

## Benefit calculator

Aberdeen City Council's benefits calculator will help you find out what benefits you can claim.

The calculator is free to use, and the details you provide are anonymous.

**Before you start**, make sure you have information about your savings, income pensions and existing benefits (for you and your partner).

If you run out of time, you can save your calculation and come back to it later, and pick up right where you left off

[Start your calculation](#)



## Here is your December ACVO News - the final edition of 2025!



We're excited to bring you the latest edition of **ACVO News** – your go to source for all that's happening across Aberdeen's third sector.

From inspiring community stories to essential updates and opportunities, ACVO News keeps you connected, informed, and engaged with the work making a real difference locally.

[ACVO News December 2025 - ACVO TSI](#)

# Social Security Scotland

## November 2025 announcements



### 1. Support for Scotland's unpaid carers

**Date:** 20 Nov 2025

**Details:**

- New measures announced to improve financial and practical support for unpaid carers.
- Focus on dignity and fairness, with plans to expand Carer Support Payment and improve access to advice services. [Read full announcement](#)

### 2. Annual Report published

**Date:** 18 Nov 2025

**Details:**

- The **Annual Report and Accounts 2024–2025** highlights progress on devolved benefits, client satisfaction, and operational performance.
- Includes statistics on uptake of Scottish Child Payment, Best Start Grants, and Disability Payments. [View the report](#)

### 3. Young Carer Grant extended to 19-year-olds

**Date:** 17 Nov 2025

**Details:**

- Previously available to carers aged 16–18, now extended to **age 19**.
- Payment remains **£359.65 per year**, supporting young people caring for someone at least 16 hours per week. [Details here](#)

### 4. Winter Heating Payments for pension-age clients

**Date:** 16 Nov 2025

**Details:**

- **Pension Age Winter Heating Payment** replaces the UK Winter Fuel Payment in Scotland.
- Automatic payments of **£101.70–£305.10**, depending on household circumstances.
- Over **880,000 pensioners** expected to benefit. [Learn more](#)

### 5. Scottish Adult Disability Living Allowance introduced

**Date:** 11 Nov 2025

**Details:**

- Scotland replaces UK Disability Living Allowance with its own version, aligning with principles of dignity and fairness.
- No private sector assessments; decisions based on client information and supporting evidence. [Full announcement](#)

### 6. New rules for people moving to Scotland

**Date:** 4 Nov 2025

**Details:**

- People relocating from other UK regions must apply for Scottish benefits (Adult Disability Payment, Child Disability Payment, Carer Support Payment) within **13 weeks**.
- Ensures smooth transition and avoids gaps in entitlement. [Policy update](#)

### 7. Cross-border and EU settlement amendments

**Date:** 6 Nov 2025

**Details:**

- New regulations clarify entitlement for applicants under the **EU Settlement Scheme**.
- Updates to Best Start Foods and Grants to ensure compliance with immigration status rules. [Regulations summary](#)

# Roundup of recent DWP announcements

## Autumn Budget

This week the Chancellor unveiled a Budget that takes the fair choices to deliver on the country's priorities of cutting the cost of living, reducing NHS waiting lists and driving down our borrowing and debt.

Below are links to a number of documents you may find helpful.

The Chancellor's [speech](#) in full (text).

- The Budget [document](#)
- Three factsheets: [supporting business](#), [supporting growth](#) and [supporting cost of living](#)
- [The national press notice](#)

The budget included a number of measures of relevance to the Department for Work and Pensions including:

**Removing the two-child limit in Universal Credit from April 2026**, which will lift a projected 450,000 children out of poverty in the final year of this Parliament and give them the start they need in life. This reduction will rise to around 550,000 alongside other measures announced this year, such as Free School Meals.

**Confirming State Pension and working age benefit rates from April 2026.** In line with the average weekly earnings growth element of the Triple Lock, the basic and new State Pension will increase by 4.8%, worth up to an additional £575 a year. Working age benefits will be updated in line with the September CPI inflation of 3.8%, with the exception of rates for the Universal Credit standard allowance and health element, which are set in legislation until April 2029 and include a real terms increase of the standard allowance.

**Salary sacrifice for pension contributions.** The government will charge employer and employee NICs on pension contributions above £2,000 per annum made via salary sacrifice. These changes will be legislated for through primary and secondary legislation which will be introduced in due course. This will take effect from 6 April 2029.

**Making health and disability benefits more sustainable** in the future through changes to health assessments in Great Britain by increasing the number of face-to-face assessments across PIP and the WCA to ensure people are receiving the right support. The government will also increase WCA reassessments capacity and reduce PIP recipients being called for award review when their function has not improved.

**Working-age residents in Supported Housing or Temporary Accommodation will benefit from new earned income disregards** in Housing Benefit, reducing the financial cliff edge and making work pay from Autumn 2026.

**Reforms to the Motability Scheme**, these reforms include ending the VAT relief on top-up payments, a one-off voluntary payment required to lease more expensive vehicles on the Scheme, and the application of Insurance Premium Tax on leases. Tax changes will not impact vehicles substantially adapted for wheelchair users, or existing leases, and Motability will continue to provide vehicles at no additional cost to the value of eligible disability benefits.

**Youth Guarantee.** The Government is funding £820 million across the spending review period to deliver a Youth Guarantee. At the Labour Party Conference in September 2025, the Chancellor announced the Youth Guarantee will include a new Jobs Guarantee. Further details of the Jobs Guarantee scheme have been set out at the Autumn Budget. This includes the government will guarantee a six-month paid work placement for every eligible 18–21-year-old who has been on Universal Credit and looking for work for 18 months. This will cover 100% of employment costs for 25 hours a week at the relevant minimum wage, and additional wraparound support.

**Skills and Apprenticeships.** The Government is also providing £725 million across the spending review period for the Growth and Skills Levy, to help support apprenticeships for young people, alongside reforms that will simplify the apprenticeship system and make it more efficient. This includes:

- a change to fully fund SME apprenticeships for eligible people under 25.
- Alongside this funding, the government will introduce new reforms to simplify the apprenticeship system and make it more efficient as short courses are introduced from April 2026, including removing the additional uplift to levy accounts; changing the expiry window to 12 months; changing the government's co-investment rate to 75% for levy-paying employers once they have exhausted all their funds; and working with employers to streamline the suite of apprenticeship standards available.



Department  
for Work &  
Pensions

## Reports show benefits of money and welfare rights advisors in primary care settings

The Improvement Service have published four further reports that consider the effectiveness of Welfare Advice and Health Partnerships (WAHPs) as part of an evaluation of the 'Test and Learn' Programme which was funded by the Scottish Government.

The reports consider in more detail the results of the interim report that was published in August 2024. This found that WAHPs are an effective model of service delivery, providing multiple benefits to service users, primary care staff and advice providers.

Two of the reports consider the effectiveness of the Programme from the [perspective of service users](#) and [primary care staff](#) respectively.

Staff in GP Practices reported that having an advisor as a member of the practice team allowed them to focus on clinical issues. It also improved the support they could provide to patients- particularly those who were most vulnerable.

Over 70 service users in ten local authority areas took part in interviews. 90% had never previously sought advice and 50% reported an improvement in health due to reduced stress and worry. All thought that access to welfare rights and money advice should be available in all GP surgeries.

Whilst the benefits of providing services in this way are recognised, it has been important to identify any [lessons learned](#) in developing and sustaining WAHPs. Establishing effective relationships by involving an individual with a health background, such as a Practice Manager, a GP or a Health Improvement lead, are important. Clarity on the service that is provided is required as there can be confusion with the different, but complementary roles, of Community Link Workers. There are potential barriers that need to be addressed which can include the lack of space in GP Practices and recruitment of staff. [Rural areas](#) may experience unique challenges due to difficulties maintaining confidentiality in small GP Practices and travel distances.

However it should be stressed that this method of service delivery, in both urban and rural areas, is an effective way of engaging with individuals who would not otherwise access advice services and in the three years from April 2022 to March 2025 over £54 million in financial gains have been secured for individuals – almost 90% have never previously sought advice.

Further information

Download the reports:

- [Welfare Advice and Health Partnerships: a Service User Perspective](#)
- [Welfare Advice and Health Partnerships 'Test and Learn' Programme: Impact on Health and Well-being, and General Practice](#)
- [Welfare Advice and Health Partnerships: Lessons Learned](#)
- [Welfare Advice and Health Partnerships 'Test and Learn' Programme in Rural and Island Communities](#)



MONEY ADVICE LIAISON GROUP

## Helping Advisers Help Clients: MALG's Creditor Email List Speeds Up Debt Solutions

- Includes **email addresses for major creditors, debt collection agencies, banks, lenders, utilities, telecoms, and public sector contacts.**
- Covers companies like **Advantis Credit, Cabot, Lowell Group, PRA Group, Barclaycard, Capital One, Santander, British Gas, EDF Energy, O2, Vodafone,** and many more.
- Provides **special contacts for vulnerable customers, debt management companies, and escalation points.**

**Ongoing Updates:** Advisers can submit new addresses or request missing ones via [MALG's website](#).  
[MALG publishes list of creditor email addresses for money advisers | Money Advice Liaison Group](#)

# Key Changes to Legacy Benefits



[The Welfare Reform Act 2012 \(Commencement No. 35\) \(Abolition of Benefits\) Order 2025](#)

## What's Happening?

This order brings major changes to older benefits as part of welfare reform. Advisers need to prepare for:

### Important Dates

**14 Nov 2025** – Some housing benefit awards end when claimants move from temporary to general accommodation.

**1 Dec 2025** – All *old-style* contributory ESA becomes *new-style* ESA.

- No new income-related ESA can be added after this date.

**1 Apr 2026** – Income-based JSA and Income Support abolished.

- Two-week run-on applies for claimants moving to Universal Credit.

## What Does This Mean?

### ESA Changes

- Old-style ESA (started before UC rollout) will convert to new-style ESA.
- New-style ESA is contributory-only; any means-tested help comes via Universal Credit.

### JSA and Income Support

- These benefits will end completely from April 2026.

### Housing Benefit

- Ends for certain moves, but new claims may be allowed under transitional rules.

## Action for Advisers

- Update advice materials and benefit calculations.
- Inform clients about conversion and abolition dates.
- Check transitional protections for UC migration and housing benefit.

## Caselaw: Commercial Tenancy Test for UC Housing Cost

Whether a tenancy was “commercial” for the purposes of calculating the housing costs element in a Universal Credit claim.

### [DB v The Secretary of State for Work and Pensions](#)

**Decision Date:** 18 October 2025

**Issue:** Whether a tenancy was “commercial” for the purposes of calculating the housing costs element in a Universal Credit claim.

### Key Legal Question

The Tribunal considered how to assess whether a tenancy is commercial. The central issue was whether this should be based on:

- The actual agreement between the landlord and tenant, or
- What a hypothetical “notional commercial landlord” would do in similar circumstances.

### Tribunal's Findings

The Tribunal ruled that the specific agreement between the parties should be the basis for determining whether the tenancy is commercial. It rejected the approach of using a notional landlord's perspective, emphasizing that real-world arrangements and intentions of the parties are more relevant.

Implications.

This decision provides guidance for future cases involving Universal Credit housing costs, particularly in disputes over whether a tenancy qualifies as commercial. It reinforces the importance of **examining actual contractual terms and conduct**, rather than relying on abstract or theoretical standards.

# Briefing Document: Energy Debt Relief Proposal

Ofgem has proposed a new scheme to help alleviate the growing burden of energy debt, which has reached a record high of **£4.4 billion**. The initiative could see up to **£500 million** in energy debt written off for nearly **200,000 benefit claimants**, starting early next year.

## Key Elements of the Proposal

### Eligibility Criteria:

- Individuals on means-tested benefits.
- Must have accrued over £100 in energy debt between April 2022 and March 2024.
- Identified by energy suppliers.

### Conditions for Debt Relief:

- Must make some contribution toward repaying debt or covering ongoing energy costs.
- If unable to pay, must engage with a debt charity for financial support.

### Funding Mechanism:

- Relief funded by a £5 annual surcharge on all energy bills.
- This adds to the existing £52/year paid by households under the price cap tariff.

### Context and Challenges

- Over one million households currently have no repayment arrangements in place.
- The scheme aims to slow the growth of energy debt rather than eliminate it.
- MPs have criticised the plan, urging that energy network companies' excess profits be used instead of consumer surcharges.
- Ofgem warns that renegotiating price controls could increase costs for consumers.

### Occupier Debt Reform:

- New tenants/homeowners must register with suppliers to avoid anonymous debt.
- Smart meters may be switched to prepayment mode with limited credit until registration.
- Estimated £1.1bn–£1.7bn of historic debt stems from unregistered occupier accounts.

### Conclusion

The proposed scheme represents a significant intervention in tackling household energy debt. While welcomed by many, its success will depend on broader reforms, industry cooperation, and ensuring vulnerable households are adequately supported.

[MPs call on Ofgem to tap network companies' £4bn windfall for an ambitious new energy debt relief scheme – Committees – UK Parliament](#)

## REPORTING LIMITED CAPABILITY FOR WORK AND WORK-RELATED ACTIVITY BEFORE APRIL 2026

### KEY CHANGE

- From 6 April 2026, new claimants assessed as having LCWRA will receive £217.26 per month, compared to the current £423.27.
- This reduced rate will be frozen until April 2030.
- Existing claimants assessed before April 2026 will keep the current rate, but it will also be frozen until 2030.
- Only those meeting [Severe Conditions Criteria](#) (SCC) or under Special Rules for End of Life will be exempt from reductions.

### ACTION REQUIRED

- Clients who believe they have LCWRA should report this as a change of circumstances before April 2026.
- Reporting triggers a Work Capability Assessment (WCA), which determines LCWRA eligibility.
- Delaying beyond April 2026 could result in significant financial loss.

### ADVISER GUIDANCE

- Proactively discuss LCWRA with clients who have long-term health conditions or disabilities.
- Support clients in updating their Universal Credit account and requesting a WCA.
- Explain the financial implications clearly.

### WHY IT MATTERS

- Early reporting ensures clients receive the higher LCWRA.

# DWP Faces Mounting Backlog as Existing Claimants Wait for WCA Assessments



Department  
for Work &  
Pensions

The Department for Work and Pensions (DWP) is under growing pressure after figures revealed a stark imbalance in Work Capability Assessments (WCAs). While more than 250,000 assessments for new claims were completed in the past five months, fewer than 10,000 existing claimants received reassessments during the same period.

As of August 2025, around 110,000 existing claimants remain in limbo, awaiting an assessment that determines their eligibility for disability-related benefits. This backlog has raised concerns about service equity, with critics warning that prioritising new claims over reassessments could leave vulnerable individuals facing prolonged uncertainty.

*Sir Stephen Timms, Minister of State for Work and Pensions, acknowledged the issue, stating:*

*“It is well-established government policy to prioritise Work Capability Assessments for new benefit claims to determine their capability for work at the earliest possible opportunity. Reassessments occur when there is capacity in the system, which has been limited due to an increase in demand for WCAs for new benefit claims.”*

Advocacy groups warn that delays risk financial hardship and heightened anxiety for thousands of claimants who depend on timely benefit adjustments. Calls are growing for urgent action, including increased staffing and streamlined processes, to tackle what campaigners describe as a “systemic failure” in managing reassessments.

The DWP has indicated plans to accelerate healthcare professional recruitment and improve efficiency, but critics say these measures cannot come soon enough.

Work and Pensions Minister Sir Stephen Timms has said that the DWP expects to take another 6 months to clear ‘most’ of the work capability assessment (WCA) reassessment backlog.

Following a FOI – [Instructions regarding Work Capability Assessments and policy intent – a Freedom of Information request to Department for Work and Pensions – WhatDoTheyKnow](#)

And following the announcement in the Pathways to Work Green Paper that the UC health element will be cut from April 2026 –

For advisers supporting claimants who currently have LCW and report a deterioration in health with the intention of being reassessed for LCWRA, it’s important to note the following policy intent:

- If the reassessment is not completed before April 2026, the effective date of change (supersession date) will be the date the deterioration was reported. This means the claimant will receive the current LCWRA rate, rather than the rate introduced from 6 April 2026.
- Similarly, for new Universal Credit claimants who meet the three-month qualifying period for LCWRA before April 2026, but whose WCA is completed after that date, the LCWRA element should be backdated to the relevant Universal Credit payment period. Again, the claimant will receive the existing LCWRA rate, not the post-April 2026 rate.

## Get Britain Working: Pathways to Work: Government Response

Government will not delay introduction of cuts to the Universal Credit health element from April 2026.

This is a House of Commons committee special report, including a government response to an earlier committee report

### What is the report?

- It’s the Fourth Special Report of Session 2024–26 by the House of Commons Work and Pensions Committee, published on 23 October 2025.
- The report includes the Government’s formal response to the Committee’s earlier report on the Pathways to Work inquiry.
- The response addresses reforms introduced by the Universal Credit Act 2025, which followed the Pathways to Work Green Paper and consultation

[Get Britain Working: Pathways to Work: Government Response](#)

## Publication – Consultation paper Future of council tax in Scotland:



### Consultation

This consultation paper sets out a range of options for how the council tax system in Scotland could be updated and improved. It is aimed at individuals, households, communities, and organisations across the country who have an interest in how local services are funded and how council tax affects them.

Council tax has not been fundamentally changed or updated since its introduction over 30 years ago. As property values and local circumstances have changed, questions have grown about whether the system still works as intended.

This paper presents a series of illustrative models and possible changes to how council tax is calculated, with supporting evidence set out in a report produced by the Institute for Fiscal Studies.

We are inviting views to help understand how people feel about these options, what matters most to them, and how the system might better reflect property values and household circumstances today.

This consultation forms part of a broader programme of work which is seeking to build consensus on reforms to council tax. Your response will help inform future decisions about the shape and direction of council tax reform in Scotland.

Closes 30 January 2026

[Respond online](#)

## Could You Be Missing Out? Committee Pushes for Easier Access to Job Start and Funeral Support Support: What's Changing?



The Scottish Parliament's Social Justice and Social Security Committee is shining a spotlight on two benefits that can make a real difference: Job Start Payment and Funeral Expenses Payment.

### Why does this matter?

**Job Start Payment** gives young people a financial boost when starting work—but only 1 in 5 eligible applicants are claiming it. The Committee wants to know what's stopping people and how the Government plans to fix this with a new strategy coming in 2026.

**Funeral Expenses Payment** helps families with funeral costs. Uptake is better at 61%, but many still miss out. The Committee is asking what more can be done and whether local ideas—like East Ayrshire's *Respectful Funeral Service*—could be rolled out nationally.

The Committee has also asked for reassurance that these benefits are protected from fraud and expects answers by **8 January 2026**.

### What can you do?

If you or someone you know could benefit from these payments, check your eligibility at [mygov.scot](https://mygov.scot) and spread the word. Every claim matters.

# Winter Fuel Payments: New Tax Charge What You Need to Know Before April 2025

**Big changes are coming for pensioners receiving Winter Fuel Payments.**

Starting **6 April 2025**, anyone with an annual income over **£35,000** will face an **Income Tax charge equal to the full value of their Winter Fuel Payment**. The payment itself will still be made in full, but HMRC will reclaim its value through tax adjustments.



## Who's affected?

- Pensioners with income above £35,000 receiving Pension Age Winter Heating Payment

## How will it work?

Collected via **PAYE tax code changes** or **Self Assessment**.

Example deductions:

- £17/month in 2026–27
- £33/month in 2027–28 (recovering two years)
- Back to £17/month from 2028–29

## Exemptions apply

If you receive **means-tested benefits** during the qualifying week (e.g., Pension Credit, Universal Credit), you won't pay the charge.

## Why the change?

The government aims to target support at those who need it most, without full means-testing.

## Key dates:

- **6 April 2025** – Charge introduced
- **Winter 2025** – First payments subject to charge

## Top Tips for Advisers

- **Check income early** – Use HMRC's calculator (coming soon) to confirm if clients exceed £35,000.
- **Explain deductions** – Prepare clients for tax code changes or Self Assessment adjustments.
- **Highlight exemptions** – Ensure clients on means-tested benefits know they're not affected.
- **Discuss opt-out** – Clients expecting to exceed the threshold can opt out of receiving the payment.

## Boosting crisis support

New funding to prevent homelessness and expand emergency grants.

Efforts to tackle homelessness, reduce poverty and support women who have experienced domestic abuse are being bolstered by an additional £1.6 million this year.



This includes:

- A further £1 million investment in Discretionary Housing Payments (DHPs) for local authorities to help people move from temporary accommodation into settled homes.
- £100,000 to expand an emergency fund that outreach workers can use to help rough sleepers or those at risk of becoming homeless.
- £500,000 to further bolster the £1 million Fund to Leave announced on 2 September. This supports women experiencing domestic abuse to buy essentials when leaving an abusive partner, recognising that domestic abuse remains a leading cause of women's homelessness.

[Scotland's Annual Homelessness Conference](#)  
[Tackling Scotland's Housing Emergency](#)  
[Boosting crisis support](#)

## Targeted Case Reviews: What Advisers and Clients Need to Know

The Government's 2025 Budget confirmed a major expansion of **Targeted Case Reviews (TCRs)** within Universal Credit. These reviews are designed to tackle fraud and error by checking claims most likely to be incorrect.

### What are Targeted Case Reviews?

TCRs use risk-based analysis to identify claims that may contain mistakes or undeclared changes. Claimants selected for review are asked to provide extra evidence—such as payslips or tenancy agreements—to verify their circumstances. If errors are found, payments are corrected and overpayments recovered.

### Why the Expansion?

The Department for Work and Pensions (DWP) expects the extended programme to deliver **£1.3 billion in savings by 2030–2031**. Similar checks will also be introduced for **Pension Credit claims considered “at risk.”**

### What This Means for Advisers

- More clients may be contacted for reviews, even if their claim seems straightforward.
- Reviews can be stressful—advise clients to respond promptly and provide accurate documents.
- Failure to comply could lead to payment suspension or sanctions.

### Top Tips for Clients

- **Keep details up to date:** Report any changes in income, housing, or household promptly.
- **Respond quickly:** If contacted for a review, reply as soon as possible to avoid delays or payment stops.
- **Gather documents early:** Have payslips, tenancy agreements, and ID ready to provide when asked.
- **Ask for help:** If unsure what's needed, contact your adviser or the DWP for clarification.
- **Stay calm:** Reviews are routine checks, not an accusation—cooperation ensures your payments stay correct.

**GOVERNMENT EXPANDS  
UNIVERSAL CREDIT CASE  
REVIEWS IN BUDGET 2025  
TO DELIVER  
£1.3 BILLION SAVINGS**

## New Benefit and Pension Rates Announced for 2026–2027

The Department for Work and Pensions has confirmed the benefit and pension rates for the upcoming financial year, **2026–2027**, ensuring continued support for millions of households across the UK.

Key highlights include:

- **State Pension:** Protected by the government's Triple Lock commitment, guaranteeing an increase based on inflation, earnings, or 2.5%, whichever is highest.
- **Universal Credit and Other Working-Age Benefits:** Uprated to reflect inflation, helping families manage rising living costs.
- **Disability and Carer Support:** Increased rates for Attendance Allowance, Disability Living Allowance, and Carer's Allowance.
- **Benefit Cap:** Updated limits for households in London and nationwide, maintaining fairness and sustainability.
- **Capital Rules:** Savings thresholds remain consistent, with tariff income rules continuing for means-tested benefits.

These changes aim to provide financial security and stability for pensioners, working families, and vulnerable individuals. For full details, including all updated rates, visit the official [GOV.UK page](#).



Department  
for Work &  
Pensions

## National Living Wage to Hit £12.71 by April 2026 – What Clients Need to Know

The 2025 Budget confirms a major change: the **National Living Wage (NLW)** will rise to **£12.71 per hour from April 2026**. This increase will affect millions of workers and could have knock-on effects for benefits and budgeting.

### Key Points for Advisers:

- **Current NLW:** £11.44 per hour
- **From April 2026:** £12.71 per hour
- **18–20-year-olds:** £10.85 per hour

A full-time worker could see **over £2,500 extra per year**, but this may alter entitlement to means-tested benefits.

### Benefit Impact Examples:

- **Universal Credit:**
  - A single claimant working 37.5 hours at NLW will earn approx. **£24,800/year** (up from £22,300).
  - This could reduce UC awards as earnings rise above the work allowance threshold.
- **Council Tax Reduction:**
  - Higher income may lower CTR entitlement, especially for households without children.
- **Debt Advice:**
  - Increased income could improve affordability for repayment plans, but advisers should check if benefit reductions offset gains.

### Why It Matters for Advice Work:

- **Budgeting Support:** Clients may need help recalculating disposable income.
- **Benefit Checks:** Run updated benefit calculations for April 2026 scenarios.
- **Early Conversations:** Prepare clients for possible changes in UC and CTR.

### Tip for Advisers:

Use this as an opportunity to review client budgets and benefit entitlements well before April 2026.



## Universal Credit Surplus Earnings Threshold Frozen Again

The Autumn Budget 2025 brings no surprises for Universal Credit claimants with fluctuating incomes: the **surplus earnings threshold remains at £2,500 for another year**. This marks the **eighth consecutive year** the figure has stayed unchanged.

### Why does it matter?

The threshold determines whether past earnings affect your current Universal Credit entitlement. If your surplus earnings exceed £2,500, they can reduce or wipe out your award in future months.

Critics argue the freeze fails to reflect rising costs and wage changes, leaving some claimants vulnerable to unexpected reductions.

### What This Means for Claimants

- If you have **variable or seasonal income**, keep an eye on your surplus earnings. Anything above £2,500 could impact future payments.
- **Budget carefully:** a one-off high earning month may affect your entitlement for several months.
- Consider seeking advice early if your income fluctuates—planning ahead can prevent surprises.

### What This Means for Advisers

- **Monitor clients with irregular earnings:** they're most at risk of surplus earnings affecting future awards.
- **Explain the carry-over effect:** surplus earnings can impact entitlement for up to six months.
- **Encourage proactive budgeting:** help clients understand how bonuses, overtime, or seasonal work could trigger reductions.
- Keep this on your radar—the **threshold isn't changing anytime soon**, so planning is key.



## The Chancellor's 2025 Budget confirmed a major welfare reform: the two-child limit within Universal Credit will be abolished from April 2026.

### Key Details

- **Current Rule:** Since April 2017, the child element of Universal Credit has been restricted to the first two children in a household.
- **Change:** From April 2026, families will receive child elements for all eligible children.
- **Impact:** Government estimates suggest this will lift approximately **450,000 children out of poverty**.

### Why It Matters

The two-child limit has been widely criticised for increasing hardship among larger families. Its removal represents a significant shift in policy and will require advisers to review benefit calculations for affected clients.

### Other Relevant Budget Measures

- **Universal Credit standard allowance** will rise from April 2026.
- **Pensions:** 4.8% increase, maintaining the triple lock.
- **Housing Benefit:** New earnings disregard for claimants in supported housing and temporary accommodation (Autumn 2026).

### What to Do Now

1. **Identify affected clients** – Review caseloads for families with more than two children currently impacted by the cap.
2. **Update internal guidance** – Prepare draft updates for benefit calculation tools and advice resources ahead of April 2026.
3. **Communicate early** – Inform clients about the upcoming change and its potential impact on their entitlement.
4. **Monitor implementation details** – Keep track of DWP guidance and transitional arrangements as they are published.
5. **Plan training sessions** – Schedule adviser briefings to ensure teams are ready for recalculations and policy changes.

## POLICY UPDATE

### TWO-CHILD LIMIT IN UNIVERSAL CREDIT TO END IN APRIL 2026

## Universal Credit and State Pension Increases Confirmed

The Government has confirmed uprating measures for April 2026 as part of Budget 2025. These changes will affect benefit entitlement calculations and pension payments for the next financial year.

### Universal Credit

The standard allowance for Universal Credit will increase from April 2026, providing additional support for claimants. Advisers should factor this into benefit checks and income maximisation strategies.

### State Pension

The State Pension will rise by **4.8%**, in line with the triple lock guarantee, which ensures increases based on the highest of earnings growth, inflation, or 2.5%. This continues the Government's commitment to maintaining pensioner incomes.

### Other Measures

Further details include adjustments to housing benefit and pension credit administration, alongside measures aimed at tackling poverty and improving work incentives.

### Action for Advisers:

- Review benefit calculations for clients ahead of April 2026.
- Update advice materials to reflect the confirmed uprating.
- Monitor additional guidance from DWP on implementation.

### For more information, see -

[Budget Speech 2025](#) | [Autumn Budget 2025: Full document and supporting publications](#) | [Strong foundations, secure future: A Budget that delivers on the country's priorities](#)



# New Housing Benefit Earnings Disregard – A Game-Changer for Supported Housing

## What's New?

The government has announced a major policy shift in **Budget 2025**: a new **Housing Benefit earnings disregard** for claimants living in **supported housing** and **temporary accommodation**. This change, set to roll out from **Autumn 2026**, aims to tackle the long-standing '**financial cliff edge**' that discourages work for vulnerable groups.



## Why It Matters for Advisers

Currently, residents in supported housing often face a harsh reality: as soon as they earn even a modest income, their Housing Benefit drops sharply, leaving them worse off overall. This creates a **work disincentive** and traps many in low-income dependency.

The new disregard will allow claimants to keep more of their earnings **before Housing Benefit starts to taper**, smoothing the transition into employment and making work pay. While full details on the disregard amount and taper adjustments are expected later, the policy signals a **strong commitment to improving work incentives** for those in precarious housing situations.

## Key Takeaways for Your Casework

- **Implementation Date:** Autumn 2026 – start preparing clients for this positive change.
- **Target Group:** Claimants in supported housing and temporary accommodation.
- **Impact:** Reduces the risk of arrears and homelessness when clients take up work.
- **Next Steps:** Keep an eye on DWP guidance for exact figures and eligibility criteria.

## Adviser Tips: How to Get Ahead

- **Start the Conversation Early:** Encourage clients in supported housing to think about future work opportunities now.
- **Review Current Benefit Calculations:** Identify clients who might benefit most from the disregard and flag them for follow-up.
- **Plan for Budgeting Support:** As earnings increase, clients may need help managing changes in other benefits or Universal Credit.
- **Stay Updated:** Bookmark DWP updates and Rightsnet for detailed guidance when figures are confirmed.
- **Collaborate with Housing Providers:** Work together to ensure clients understand how this change affects rent and service charges.

## 1.2 Million UK Carers Living in Poverty: Carers UK Calls for Urgent Financial Reform



The report explores the financial challenges faced by the UK's 5.8 million unpaid carers and calls for systemic changes to improve financial security and wellbeing.

### Key Findings

#### Financial Hardship

- **1.2 million carers live in poverty**, including **400,000 in deep poverty**.
- **41%** don't know what benefits they're entitled to.
- **63%** of carers struggling financially accessed **no financial guidance** in the past year.
- **34%** wouldn't know where to find financial advice.
- **37%** lack confidence in coping with cost-of-living increases.
- **20%** want more help managing **power of attorney**.

#### Impact of Caring

- Many carers reduce working hours or leave employment, increasing vulnerability.
- Carers often manage finances for those they support, amplifying stress and anxiety.

[State of Caring 2025](#)