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Rt Hon George Howarth MP
House of Commons

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Dear George,

Thank you for your email of 31 March on behalf of a number of your constituents regarding the Government policy to limit support through Tax Credits and Universal Credit to two children.

I can assure you that the Government is committed to delivering welfare reform to ensure that the system is fair to those taxpayers who fund it and support themselves solely through work, as well as those who benefit from it. In legacy benefits entitlement adjusts automatically to family size, whilst families supporting themselves solely through work, do not see their incomes rise in the same way when they have more children.

It is important that households think carefully about whether they are financially prepared to support a new child without relying on the tax credits or means-tested benefit systems, just as any working family would do. However, we have always been clear that this reform will be delivered in the most effective, compassionate way and we have consulted to ensure that the right exceptions and safeguards are in place. We have always been clear that exceptions will apply, and following consultation have finalised the detail. Exceptions will be made in respect of a third or subsequent child who is:

- part of a multiple birth, apart from one child in the multiple birth;
- adopted from Local Authority care;
- living long term with family or friends in a formal caring arrangement or because they would otherwise be likely to be looked after by the Local Authority; or
- likely to have been born as a result of non-consensual conception or where the child is likely to have been conceived at a time when the claimant was in a controlling or coercive relationship.

There will be no cash losers as a direct result of this policy. Households who have been in receipt of Universal Credit or Tax Credits, with an interruption of less than 6 months, will receive transitional protection. Child Benefit will also continue to be paid regardless of family size, as the basis of the Government's contribution towards the cost of bringing up a child. Claimants will also still be entitled to an additional amount in respect of any disabled children, regardless of the total number of children in the household.

We believe the policy strikes the right balance between protecting the vulnerable, and encouraging families who receive benefits to make the same financial decisions about the number of children they can afford to support as those families who support themselves solely through work.

It is also worth noting that Universal Credit is part of a package of reforms to make work pay and includes the National Living Wage, the rise in the Personal Tax Allowance and generous childcare support rising to 85 per cent of costs and worth up to £13,000 a year for families.

Yours,



The Rt Hon Damian Green MP

SECRETARY OF STATE FOR WORK AND PENSIONS