



Welfare Reform Act 2012

2012 CHAPTER 5

PART 5

SOCIAL SECURITY: GENERAL

Benefit cap

96 Benefit cap

- (1) Regulations may provide for a benefit cap to be applied to the welfare benefits to which a single person or couple is entitled.
- (2) For the purposes of this section, applying a benefit cap to welfare benefits means securing that, where a single person's or couple's total entitlement to welfare benefits in respect of the reference period exceeds the relevant amount, their entitlement to welfare benefits in respect of any period of the same duration as the reference period is reduced by an amount up to or equalling the excess.
- (3) In subsection (2) the “reference period” means a period of a prescribed duration.
- (4) Regulations under this section may in particular—
 - (a) make provision as to the manner in which total entitlement to welfare benefits for any period, or the amount of any reduction, is to be determined;
 - (b) make provision as to the welfare benefit or benefits from which a reduction is to be made;
 - (c) provide for exceptions to the application of the benefit cap;
 - (d) make provision as to the intervals at which the benefit cap is to be applied;
 - (e) make provision as to the relationship between application of the benefit cap and any other reduction in respect of a welfare benefit;
 - (f) provide that where in consequence of a change in the relevant amount, entitlement to a welfare benefit increases or decreases, that increase or decrease has effect without any further decision of the Secretary of State;
 - (g) make supplementary and consequential provision.

Status: Point in time view as at 16/03/2016. This version of this provision has been superseded.

Changes to legislation: Welfare Reform Act 2012, Section 96 is up to date with all changes known to be in force on or before 19 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- [^{F1}(5) Regulations under this section may make provision for determining the “relevant amount” for the reference period applicable in the case of a single person or couple by reference to the annual limit applicable in the case of that single person or couple.
- (5A) For the purposes of this section the “annual limit” is—
- (a) £23,000 or £15,410, for persons resident in Greater London;
 - (b) £20,000 or £13,400, for other persons.
- (5B) Regulations under subsection (5) may—
- (a) specify which annual limit applies in the case of—
 - (i) different prescribed descriptions of single person;
 - (ii) different prescribed descriptions of couple;
 - (b) define “resident” for the purposes of this section;
 - (c) provide for the rounding up or down of an amount produced by dividing the amount of the annual limit by the number of periods of a duration equal to the reference period in a year.]
- (6) [^{F2}The amount specified under subsection (5) is to be determined by reference to estimated average earnings.]
- (7) [^{F2}In this section “estimated average earnings” means the amount which, in the opinion of the Secretary of State, represents at any time the average weekly earnings of a working household in Great Britain after deductions in respect of tax and national insurance contributions.]
- (8) [^{F2}The Secretary of State may estimate such earnings in such manner as the Secretary of State thinks fit.]
- (9) Regulations under this section may not provide for any reduction to be made from a welfare benefit—
- (a) provision for which is within the legislative competence of the Scottish Parliament;
 - (b) provision for which is within the legislative competence of the National Assembly for Wales;
 - (c) provision for which is made by the Welsh Ministers, the First Minister for Wales or the Counsel General to the Welsh Assembly Government.
- (10) In this section—
- “couple” means two persons of a prescribed description;
 - “prescribed” means prescribed in regulations;
 - “regulations” means regulations made by the Secretary of State;
 - “single person” means a person who is not a member of a couple;
 - “welfare benefit” [^{F3}means any prescribed benefit, allowance, payment or credit.] [^{F3}means—
- (a) bereavement allowance (see section 39B of the Social Security Contributions and Benefits Act 1992),
 - (b) child benefit (see section 141 of the Social Security Contributions and Benefits Act 1992),
 - (c) child tax credit (see section 1(1)(a) of the Tax Credits Act 2002),

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- (d) employment and support allowance (see section 1 of the Welfare Reform Act 2007), including income-related employment and support allowance (as defined in section 1(7) of the Welfare Reform Act 2007),
 - (e) housing benefit (see section 130 of the Social Security Contributions and Benefits Act 1992),
 - (f) incapacity benefit (see section 30A of the Social Security Contributions and Benefits Act 1992),
 - (g) income support (see section 124 of the Social Security Contributions and Benefits Act 1992),
 - (h) jobseeker's allowance (see section 1 of the Jobseekers Act 1995), including income-based jobseeker's allowance (as defined in section 1(4) of the Jobseekers Act 1995),
 - (i) maternity allowance under section 35 or 35B of the Social Security Contributions and Benefits Act 1992,
 - (j) severe disablement allowance (see section 68 of the Social Security Contributions and Benefits Act 1992),
 - (k) universal credit,
 - (l) widow's pension (see section 38 of the Social Security Contributions and Benefits Act 1992),
 - (m) widowed mother's allowance (see section 37 of the Social Security Contributions and Benefits Act 1992), or
 - (n) widowed parent's allowance (see section 39A of the Social Security Contributions and Benefits Act 1992).]
- (11) [^{F4}Regulations under subsection (10) may not prescribe as welfare benefits—
- (a) state pension credit under the State Pension Credit Act 2002, or
 - (b) retirement pensions under Part 2 or 3 of the Social Security Contributions and Benefits Act 1992.]

Textual Amendments

- F1** S. 96(5)-(5B) substituted for s. 96(5) (16.3.2016 for specified purposes) by [Welfare Reform and Work Act 2016 \(c. 7\), ss. 8\(2\), 36\(3\)](#)
- F2** S. 96(6)-(8) omitted (16.3.2016 for specified purposes) by virtue of [Welfare Reform and Work Act 2016 \(c. 7\), ss. 8\(3\), 36\(3\)](#)
- F3** Words in s. 96(10) substituted (16.3.2016 for specified purposes) by [Welfare Reform and Work Act 2016 \(c. 7\), ss. 8\(4\), 36\(3\)](#)
- F4** S. 96(11) omitted (16.3.2016 for specified purposes) by virtue of [Welfare Reform and Work Act 2016 \(c. 7\), ss. 8\(5\), 36\(3\)](#)

Commencement Information

- I1** S. 96 in force at 27.11.2012 for specified purposes and 15.4.2013 in so far as not already in force by [S.I. 2012/2946, art. 2\(2\)](#)

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