



Department
for Work &
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The Baroness Boycott
House of Lords

4th June 2020

Dear Rosie,

Following Baroness Sherlock's Oral Question in the House of Lords on 2 June, I promised that I would write to you to clarify the question that you raised regarding the waiting period for Universal Credit. You suggested that the Department brings forward the change in deduction rate. I can confirm that there are no current plans to change the proposed introduction date of October 2021.

Although this measure is not being implemented sooner, there has been over £6.5 billion of welfare measures introduced by the Government that benefit those facing the most financial disruption since the outbreak of COVID-19. For example, all new and existing Universal Credit claimants are benefitting from the temporary standard allowance increase, which is worth up to £1,040 this year.

Any additional changes to the Universal Credit system would potentially jeopardise the incredible achievements made in the Department during these unprecedented times. As such, we remain focussed on getting the most vulnerable people in society the money they are entitled to as quickly as possible. The Department continues to see significant increased demand, therefore the safety and stability of the benefits system must be prioritised.

In 2019 we took action to reduce the rate of deductions from 40 per cent to 30 per cent and we will only take deductions above the new 30 per cent rate where claimants have a Fraud Penalty, Sanction and/or last resort deductions. The deductions policy is in place to support the fundamental aims of Universal Credit by giving claimants freedom to manage their own money and encourage them to be responsible and pay back monies they owe.

We also recognise the importance of safeguarding the welfare of claimants who have incurred debt, so last resort deductions over the 30 per cent cap can be applied to protect vulnerable claimants from eviction and/or having their fuel supply disconnected, by providing a repayment method for arrears of these essential services.

A copy of this letter will be placed in the House Library.

Yours sincerely,

A handwritten signature in black ink that reads "Debbie Stedman-Scott". The signature is written in a cursive style with a small flourish under the "S" in "Stedman".

**BARONESS STEDMAN-SCOTT
MINISTER FOR WORK AND PENSIONS (LORDS)**