



# Welfare Reform and Work Act 2016

## 2016 CHAPTER 7

### *Welfare benefits*

#### **8 Benefit cap**

- (1) Section 96 of the Welfare Reform Act 2012 (benefit cap) is amended as follows.
- (2) For subsection (5) (meaning of the “relevant amount”) substitute—
  - “(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.”
- (3) Subsections (6) to (8) (provision about estimated average earnings) are omitted.
- (4) In subsection (10), in the definition of “welfare benefit”, for the words from “means” to the end substitute “means—
  - (a) bereavement allowance (see section 39B of the Social Security Contributions and Benefits Act 1992),

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- (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),
  - (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)."
- (5) Subsection (11) (benefits that regulations may not prescribe as welfare benefits) is omitted.
- (6) In section 97 of the Welfare Reform Act 2012 (benefit cap: supplementary)—
- (a) subsection (3) (procedure for first regulations under section 96) is omitted;
  - (b) in subsection (4), omit "other".
- (7) Paragraph 52 of Schedule 12 to the Pensions Act 2014 is omitted.
- (8) Regulations made by the Secretary of State may make such transitional or transitory provision or savings as the Secretary of State considers necessary or expedient in connection with the coming into force of subsections (1) to (6).
- (9) Regulations under subsection (8) may in particular—
- (a) provide for section 96 to have effect as if the amendments made by subsections (2) to (5) and (7) had not been made, in relation to such persons or descriptions of persons as are specified in the regulations or generally, until a time or times specified in a notice issued by the Secretary of State;

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- (b) provide for the Secretary of State to issue notices under paragraph (a) specifying different times for different persons or descriptions of person;
  - (c) make provision about the issuing of notices under paragraph (a), including provision for the Secretary of State to issue notices to authorities administering housing benefit that have effect in relation to persons specified, or persons of a description specified, in the notices.
- (10) Section 176 of the Social Security Administration Act 1992 (consultation with representative organisations) does not apply in relation to regulations under subsection (8).
- (11) Regulations under subsection (8) must be made by statutory instrument.
- (12) A statutory instrument containing regulations under subsection (8) is subject to annulment in pursuance of a resolution of either House of Parliament.

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**Commencement Information**

- I1** S. 8 in force for specified purposes at Royal Assent, see s. 36(3)
- I2** S. 8 in force at 7.11.2016 in so far as not already in force by S.I. 2016/910, reg. 2(1) (with reg. 2(2)(3))

**Changes to legislation:**

There are currently no known outstanding effects for the Welfare Reform and Work Act 2016, Section 8.