

UNIVERSAL CREDIT – EARNINGS TAPER

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INTRODUCTION

- 1 This memo gives guidance on changes introduced by the Universal Credit (Reduction of the Earnings Taper Rate) Amendment Regulations 2017 (SI 2017 No. 348). The changes come into force on 10.4.17¹.

1 UC (Reduction of the Earnings Taper Rate) Amendment Regulations 2017, reg 1(1)

BACKGROUND

- 2 In any assessment period a proportion of a claimant's earned income in excess of any applicable work allowance is deducted from their UC maximum amount. This proportion is at a rate of 65% and is known as the earnings taper.
- 3 In the Autumn statement the Chancellor announced that the earnings taper in UC would be reduced. To achieve this regulations are amended.

CHANGES

- 4 ADM E2201 currently describes the earnings taper rate as 65%. From 10.4.17 the proportion of a claimant's earned income deducted from the UC maximum amount (earnings taper) is reduced to a rate of 63%¹.

1 UC Regs, reg 22(1)(b)

TIMING

- 5 Where the amendment covered by this memo applies to an award of UC which exists on 10.4.17, the amendment has effect for the purposes of that award
1. on 10.4.17 if there is an assessment period for that award that begins on that day **or**
 2. from the first day of the next assessment period if **1.** does not apply¹.

1 UC (Reduction of the Earnings Taper Rate) Amendment Regulations 2017, reg 1(3)

ANNOTATIONS

Please annotate the number of this memo (Memo ADM 4/17) against ADM paragraphs:

E2200;

CONTACTS

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds, 1S25, Quarry House, Leeds. Existing arrangements for such referrals should be followed, as set out in [Memo DMG 03/13](#) - Obtaining legal advice and guidance on the Law.

DMA Leeds: March 2017