

Freedom of Information request 2013-3904

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Information request

Could this please now be considered a Freedom of Information request:

Following our conversation about the measure of the “benefit unit” in relation to the benefit cap, how does that tally with “household median income”?

Could you please send through the figures for benefit unit median earnings after tax and NICS but before benefits for both working and non-working benefit units?

With the “benefit unit” being the measure you have cited for the benefit cap, using the Family Resources Survey as discussed in Parliament, what figures have been gathered and how extensive was this survey in relation to working out the exact benefit unit median earnings?

DWP response

In relation to the benefit cap, the term household represents the basic family unit for the purposes of administering out-of-work benefits, which can be made up of a single adult or a couple, and any dependent children or qualifying young person for whom that adult or couple are responsible. These households are termed benefit units. Any individuals, such as adult children, grandparents etc. living in the same house, who may claim benefits independently, are not included in the same benefit cap calculation.

We use this definition in our considerations of median net weekly earnings. For more information and estimates of median net weekly earnings for working households¹, please refer to the recent ad-hoc statistics publication on benefit unit median weekly earnings using the Family Resource Survey (FRS) 2011/12. This can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/231019/benefit-unit-median-earnings-inc-2011-12.pdf

¹ Households here refer to the benefit cap definition of a household

The corresponding estimates of median net weekly earnings which includes non-working households², where the head of the benefit unit is aged below state pension age within Great Britain for 2011/12 are given in the table below:

	All	Single no children	Lone parents	Couples no children	Couples with children
Earnings (net of income tax and NICs)	290	160	90	540	570

- All figures are £ per week, and are rounded to the nearest £10 per week throughout.
- Figures are based on the benefit unit definition of households
- Figures for the "All" category refer to earnings or incomes of couples with or without children, lone parents, and single-person benefit units with no children.
- Earnings from dependent children have also been excluded from this analysis.

The FRS collects information on the income and circumstances of private households. For the 2011/12 survey around 20,000 households across the United Kingdom (UK) were interviewed between April 2011 and March 2012. The survey covers the UK, but this analysis is restricted to Great Britain. The FRS is the only survey that allows us to assess earnings on a household basis that is analogous to a benefit unit, which is the basis on which the benefit cap is administered.

²Includes benefit units where earnings are zero.