

# Freedom of Information request 2013-3730

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## Information request

I would like to know:

- How many households currently receive £20,000 or more in state benefits and tax credits.

- How many of these households have children and how many (a breakdown by family size up to the largest number)

- How many of these households have one or more members in receipt of Working Tax Credit or any of the following:

- Disability Living Allowance
  - Personal Independence Payment
  - Attendance Allowance
  - Industrial Injuries Benefits
  - Employment Support Allowance, if paid with the support component
  - Armed Forces Compensation Scheme payments
  - War Pension Scheme payments (including War Widow's/Widower's Pension and War disablement Pension).

- The current relative poverty (defined as 60% or less of median household income) thresholds by family size.

## DWP response

In response to your questions;

Based on the Households Below Average Income (HBAI) data for 2011/12, which is sourced from the Family Resources Survey, there were an estimated 800,000 households receiving £20,000 or more in state benefits and tax credits in 2011/12 in the UK. The figures presented include households with pensioners, and any benefit income they receive.

Of the households receiving £20,000 or more in state benefits and tax credits in 2011/12, 400,000 households had no dependant children, 200,000 households had either 1 or 2 children, 100,000 households had 3 children,

and 100,000 households had 4 or more children. A large proportion of the households receiving £20,000 or more in state benefits and tax credits in 2011/12 in the UK who had no dependant children were headed by someone of state pension age.

There were an estimated 600,000 households receiving £20,000 or more in state benefits and tax credits, and with at least one member of the household in receipt of at least one of the benefits or tax credits listed above.

The table below provides the overall equivalised relative low-income threshold and their equivalent money values for different household types. The relative low-income threshold is defined as 60 per cent of median income. The table below is not an exhaustive list of all possible household types.

Income measures published in the HBAI take into account variations in the size and composition of the households in which people live. This process is called equivalisation.

Equivalisation reflects the fact that a household of several people needs a higher income than a single individual in order for them to enjoy a comparable standard of living.

Equivalence scales conventionally take a couple with no children as the reference point.

#### **Relative low-income threshold (per week), for different household types – UK 2011/12**

<b>Household composition</b>	<b>Relative low-income threshold</b>
couple no children (equivalised income benchmark)	£256
Single no children	£172
Single 1 child under 14	£223
couple 1 child under 14	£308
single 1 child aged 14 or over	£256
couple 1 child aged 14 or over	£341
single with 2 children (1 aged under 14 and 1 aged 14 or over)	£308
couple with 2 children (1 aged under 14 and 1 aged 14 or over)	£392
single with 3 children (2 aged under 14 and 1 aged 14 or over)	£359
couple with 3 children (2 aged under 14 and 1 aged 14 or over)	£444
single with 4 children (2 aged under 14 and 2 aged 14 or over)	£444
couple with 4 children (2 aged under 14 and 2 aged 14 or over)	£528

The above table is an extension of table 2.2db in the publication Households Below Average Income (HBAI) 2011/12 (page 39). Further information on equivalence scales can be found on page 275 of HBAI 2011/12, under the column entitled 'OECD rescaled to couple without children'. The relative low-income thresholds given in the above table are based on the relative low-income threshold for an adult couple with no children, which is the equivalised income benchmark. The information on the number of households receiving at

least £20,000 in state benefits and tax credits is based on income before equivalisation. The equivalent low-income threshold for any given household can be calculated by adding together the appropriate equivalence scale for each member of the household, and then multiplying this number by the relative low-income threshold, which is £256.

### Notes

1. These statistics are based on the Households Below Average Income statistics 2011/12, sourced from the Family Resources Survey. This question has been answered using survey data, as producing the statistics using administrative data would have exceeded the cost limit of £600 for a Freedom of Information request
2. Relative to administrative records, the FRS is known to under-report benefit receipt. However, the FRS is considered to be the best source for looking at benefit and tax credit receipt by characteristics not captured on administrative sources.
3. In HBAI, a household is defined as a single person or group of people living at the same address as their only or main residence, who either share one meal together or share the living accommodation. This differs from a benefit unit, which is defined as a single adult or a married or cohabiting couple, plus any dependent children. From January 2006 same-sex partners (civil partners and cohabitantes) are also included in the same benefit unit. A household will consist of one or more benefit units.
4. The figures presented include households with pensioners, and any benefit income they receive.
5. Figures for the number of households receiving at least £20,000 from state benefits and tax credits are based on household income which has not been equivalised, which means that household incomes have not been adjusted for the size and composition of the household.
6. The figures for households with (i) 1 or 2 children and (ii) 4 or more children have been provided to ensure sufficient sample sizes for the figures to be presented.
7. It is not possible to identify which households in receipt of Employment and Support Allowance were paid with the support component of Employment and Support Allowance. Therefore any household with a member entitled to Employment and Support allowance has been included in the analysis.

8. Figures have been rounded to the nearest £1 and to the nearest 100,000 households. Estimates based on survey data are subject to uncertainty. The estimates are subject to sampling error.