

20-21: Changes to the taper rate and work allowance

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INTRODUCTION

1. This memo gives guidance on the Universal Credit (Work Allowance and Taper) (Amendment) Regulations 2021 [(UC (WA & Taper) (Amdt) Regs 21, SI 2021 No 1283¹ which come into force on 24.11.21.

1 [UC \(WA & Taper\) \(Amdt\) Regs 21](#)

CHANGES

2. These regulations¹ provide for

1. a reduction in the taper rate².
2. a consequential change in relation to the formula for calculating surplus earnings under relevant legislation³.
3. an increase in the work allowance⁴.

1 [UC \(WA & Taper\) \(Amdt\) Regs 21](#) 2 [UC Regs, reg 22\(1\)\(b\)](#) 3 [UC Regs, reg 54A\(6\)](#) 4 [UC Regs, reg 22\(2\)](#)

TAPER RATE

3. These regulations¹ reduce the taper rate from 63% to 55%.

1 [UC \(WA & Taper\) \(Amdt\) Regs 21](#)

SURPLUS EARNINGS

4. When considering surplus earnings, the formula to calculate the nil UC threshold¹ is altered to read

$$(M - U) / 55 \times 100 + WA$$

1 [UC Regs, reg 54A\(6\)](#)

WORK ALLOWANCE

5. These regulations¹ increase the

1. higher work allowance from £515 to £557
2. lower work allowance from £293 to £335.

1 [UC \(WA & Taper\) \(Amdt\) Regs 21](#)

TIMING

6. These changes come into effect on 24.11.21. For those claimants entitled to UC on 24.11.21 the amendments have effect for any assessment period ending on or after that date.

ANNOTATIONS

7. Please annotate the number of this memo (Memo ADM 20-21) against the following ADM paragraphs – [E2205](#), [H3308](#), [H3311](#), [H3312](#) and [H3313](#).

CONTACTS

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds, 3E zone E, Quarry House, Leeds. Existing arrangements for such referrals should be followed, as set out in – Memo [7/19](#) Requesting case guidance from DMA Leeds for all benefits.