

**Benefit Changes in the
Budget November 2025
(Last update 26/11/2025)
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Area of Benefits Affected	Benefit Change	Reference- document Budget 2025 Strong Foundations, Secure Future
Benefit changes		
UC – removal of the two child limit	From April 2026, The removal of the two child limit for those on Universal Credit.	2.16
UC standard allowance increase above inflation	The Standard Allowance, the basic amount of UC all eligible households receive, will increase by over 6% in April 2026, in line with the UC Act 2025.	2.20
Pension Credit Minimum Guarantees increase above inflation	The basic and new State Pension will be increased by 4.8%, from April 2026, in line with average weekly earnings up to an additional £575 per year to pensioners, depending on their entitlement. Same applies for Pension Credit Minimum Guarantee.	2.20
Increase Maximum Child Care costs for those- 3 children or more	The maximum amount that can be reimbursed for childcare costs for eligible Universal Credit claimants will increase by £736.06 for each additional child above the current maximum cap for two children.	4.18
Carers Allowance overpayments due to earnings	From 2026- action to support carers as recommended by the Independent Review of Carer’s Allowance Overpayments, led by Liz Sayce OBE. The Department for Work and Pensions (DWP) will reassess overpayments caused by incorrect DWP operational guidance on how to average fluctuating earnings and begin to reduce or cancel existing debts or return previously collected debts to affected carers.	2.22
Fraud and Error	In the previous Parliament, nearly 13% of UC payments were lost to fraud and error. That is why the government announced the biggest ever package of measures to tackle fraud and error at Autumn Budget 2024, saving £4.3 billion in 2029-30. The Budget is extending the Targeted Case Review, which will save an additional £1.3 billion in 2030-31.	2.74
Work Capability Reassessments	DWP will conduct an additional 122,000 Work Capability Assessments for existing claimants by 2029-30.	2.75

Universal Credit – surplus earnings rule	Extend the surplus earnings rule for one year to April 2027.	Table 4
Housing Benefit and Pension Credit Administration	From Autumn 2026, bring together the administration of Hb and PC.	Table 4
Housing Benefit-Supported and temporary accommodation	To improve work incentives, the government is adjusting how earnings are treated for Housing Benefit and Universal Credit claimants in supported housing and temporary accommodation, so that most claimants will not be subject to reductions in income for working more hours.	4.12
DWP Fraud and Error: Improving accuracy in Pension Credit claims	Introduce reviews of Pension Credit claims that are at risk of being incorrect, starting from 2026 and ending in 2029.	4.11
Winter Fuel Payments	The £35,000 threshold will be maintained for this Parliament.	4.19
Prescription Charges	One-year freeze on prescription charges, keeping fees at £9.90 for a single charge.	4.5

Budget 2025 date 26 11 2025