

**What is the Government's estimate of the number of working households claiming Universal Credit which will be (i) worse off and (ii) better off in terms of household income net of tax per month by the end of 2022-23, compared with how income net of tax per month would have been in the period immediately prior to the commencement of the universal credit £20 per week uplift, identifying in each case the impact on income of each of the following factors:**

- **Nominal wages;**
- **The cost of living including energy price changes;**
- **Changes in taxation;**
- **The package of measures announced on 3 February to ease the cost of living and also those announced last Budget, namely the reduction in the taper rate and the increase in the working allowance;**
- **Increases in the National Living Wage and National Minimum Wage.**

We have calculated that around 1.6 million families (all of which are claiming Universal Credit and in-work) will have a higher net household income (after housing costs and in real-terms) from before the pandemic to 2022-23, after taking into account:

- the increase in earnings,
- the increase in worker National Insurance contributions with the Health and Social Care levy,
- the increasing cost of living (including the energy price rise),
- the reduction in the UC taper rate from 63% to 55%,
- the £200 energy rebate to all households,
- the £150 Council Tax rebate to all households in bands A to D.

To be clear, the rising cost of energy bills are included in the results, but are a part of the broader increase in prices in line with the Bank of England's inflation forecast. We have assumed inflation effects all households equally.

On average we expect these 1.6 million UC families who will be better-off to have £880 more in household income (4.9%) in 2022-23 compared to 2019-20 (after housing costs and in real-terms). However, we also calculate that around 630,000 low-earning UC families in-work will be worse-off by an average of £830 per year (-4.2%), and 2.4 million out-of-work UC families to be worse-off by an average £560 per year (-3.3%).

(Regrettably, it has not been possible to separate out the individual policy changes' effects.)