

The Government is being urged to lift the two-child limit in the wake of a sharp rise in new claims for Universal Credit caused by the coronavirus pandemic, in a new report published today.

An estimated 230,000 families and 860,000 children have been affected over the past three years by the two-child limit - which prevents parents from claiming Universal Credit or child tax credit for a third or subsequent child born from April 6 2017 - according to a joint Church of England and Child Poverty Action Group report.

In addition to this, around 60,000 families who have made a new claim for Universal Credit, having lost their jobs or seen a drop in their income since the start of the lockdown, will also be subject to the two-child limit, the report estimates.

Survey findings in the report, of 974 families who were claiming Universal Credit or tax credits and were affected by the two-child limit, mostly before the coronavirus outbreak, found widespread evidence of hardship.

The Rt Revd Paul Butler, Bishop of Durham, said:

"Whilst acknowledging the significant decisions made to improve support through Universal Credit in the wake of the coronavirus, we must highlight that families affected by the two-child limit are among the worst affected by the economic fallout of this pandemic – denied support for their children when they need it most.

"At a time like this, we understand more than ever that life is unpredictable, and that it is important to help one another through difficult times.

The Government should lift the two-child limit and protect all children."

The full report can be found online.

Notes to editors

This report is based on a survey of 974 families affected by the two-child limit. The survey was carried out between February 2019 and April 2020, using the Entitledto benefits calculator to identify tax credit or Universal Credit claimants who had a third or subsequent child since April 6th 2017. Respondents were invited to complete a short online survey about the impact of the policy on their family.

On 21st April 2020, the DWP reported that it had received over 1.8 million new claims for universal credit in the first six weeks of the pandemic – almost five times higher – or 1.4 million more claims – than received over the same period last year. Based on the current profile of claimants, the report estimates that just over 4% of these claims – around 60,000 families - will be affected by the two-child limit (i.e. claimants with three or more children and at least one child under 3).

