

JEREMY QUIN MP
Member of Parliament for Horsham



HOUSE OF COMMONS
LONDON SW1A 0AA

10th February 2017

Dear Constituent,

RE: CHILD BENEFIT

Thank you for contacting me about changes to Child Benefit.

At a time when the Government has to reduce welfare spending, it was very difficult to justify continuing to pay for the Child Benefit of the wealthiest 15 per cent of families in society. The scale of the deficit the previous Government inherited meant tough choices needed to be taken, but said it is an important principle that those with the broadest shoulders should carry the greatest burden.

This is why the Government announced that households with a taxpayer earning over £60,000 will no longer receive Child Benefit. To prevent a cliff-edge, this withdrawal will be gradual for those households where someone earns between £50,000 and £60,000. Even so, 90 per cent of families will still receive the benefit, with 85 per cent getting the full amount.

HM Revenue and Customs (HMRC) wrote to 800,000 people about the Child Benefit changes. There may be cases where people's circumstances have changed, for example their income may have increased or address may have changed, and they will not yet have up-to-date information. However, to ensure people know about the changes HMRC also used extensive advertising, media and online activity.

The Government is clear that this legislation is fully compliant with the UK's current European obligations. Anyone who receives (or whose partner receives) Child Benefit in the UK and is resident for tax purposes will be liable for the charge whether they are a UK citizen or a migrant worker. Other countries may pay benefits to their citizens who are resident in the UK, but that does not affect the UK Parliament's ability to legislate.

While I understand your concern, basing Child Benefit on household income would require a full means-testing regime, which would bring many complexities and administrative problems. Ministers looked at a measure based on household income but concluded it would have meant bringing eight million households into the tax credit system and impose a much greater administrative burden.

There has been no announcement of any plans to restrict Child Benefit to a set number of children. Child Benefit will continue to be paid at the same level for all children. The welfare system is being fixed by capping benefits so that no out-of-work household can claim more than the average family earns in-work.

I am pleased that the Government is committed to raising the higher rate tax threshold to £50,000 by 2020, which will take 130,000 people out of the higher rate. The Government has made a start on delivering this commitment, lifting the rate to £45,000 from next April.

Together with other welfare reforms changes to Child Benefit will mean that the welfare system is there for people who need it; a system where work pays, and one that the country can afford. This means people are able to keep more of what they earn, while continuing to reduce the deficit, so future generations are not burdened with more debt than they could ever hope to pay.

Thank you again for taking the time to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jeremy Quin'.