EXPLANATORY MEMORANDUM TO

THE CHILD BENEFIT AND GUARDIAN'S ALLOWANCE UP-RATING ORDER 2026

2026 No. [XXXX]

1. Introduction

1.1 This Explanatory Memorandum has been prepared by His Majesty's Revenue and Customs (HMRC) and on behalf of His Majesty's Treasury is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 The Rt Hon James Murray MP, Chief Secretary to the Treasury confirms that this Explanatory Memorandum meets the required standard.

2.2 James Knipe, Deputy Director for Welfare Policy, at HMRC confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Amjid Ali, Welfare Policy Lead at HMRC can be contacted by email at the following address with any queries regarding the instrument: amjid.ali@hmrc.gov.uk. Alternatively, the department can be contacted by telephone: 03000544322.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This Order sets the weekly rate of Child Benefit and Guardian's Allowance from 6 April 2026. These rates were announced by Written Ministerial Statement on 26 November 2025.

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is the United Kingdom.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the United Kingdom, except for article 3 which applies to England, Scotland and Wales, and article 4 which applies to Northern Ireland. The extent of the provisions of the enabling Acts under which the instrument is made are found within section 192 of the Social Security Administration Act 1992 and section 168 of the Social Security Administration (Northern Ireland) Act 1992.

5. Policy Context

What is being done and why?

5.1 Following a review of Child Benefit and Guardian's Allowance, the Treasury has determined that the overall level of prices has increased by 3.8% as measured by the change in Consumer Price Index (CPI) from September 2024 to September 2025.

5.2 The order therefore increases the weekly rate of Child Benefit by 3.8% rounded to the nearest 5 pence. This means that, from 6 April 2026, the weekly rate for the eldest child will increase from £26.05 to £27.05, and the rate for any subsequent children will increase from £17.25 to £17.90.

5.3 The order also increases the weekly rate of Guardian's Allowance by 3.8% rounded to the nearest 5 pence. This means that, from 6 April 2026, the weekly rate of Guardian's Allowance will increase from £22.10 to £22.95.

What was the previous policy, how is this different?

5.4 There is no change to the policy. This is a routine, statutory up-rating exercise carried out annually to reflect price increases.

6. Legislative and Legal Context

How has the law changed?

6.1 Section 150(1)(a)(i) of the Social Security Administration Act 1992 (SSAA) requires the amount of Guardian's Allowance to be reviewed in each tax year to determine whether it has retained its value in relation to the general level of prices in Great Britain. Section 150(2)(a) SSAA provides that Guardian's Allowance (amongst other benefits) shall be up-rated in line with the increase in the general level of prices. Section 132(1) of the Social Security Administration (Northern Ireland) Act 1992 (SSANIA) allows corresponding provisions for Northern Ireland to be made.

6.2 Section 150(1)(i) SSAA requires the rates of Child Benefit to be reviewed each tax year.

6.3 Sections 49(3) and (4) of the Tax Credits Act 2002 (TCA) transferred the functions under section 150 SSAA and section 132 SSANIA, so far as relating to Child Benefit and Guardian's Allowance, from the Northern Ireland Department to the Treasury.

6.4 Section 41 TCA requires the Treasury to review certain elements of tax credits in each tax year in order to determine whether those elements have retained their value in relation to the general level of prices in the United Kingdom. The Treasury has carried out this review and determined that there is no need to change the rates of tax credits in the tax year 2026-27 because there are no tax credits awards after 5 April 2025.

Why was this approach taken to change the law?

6.5 This is the only possible approach to make the necessary changes.

7. Consultation

Summary of consultation outcome and methodology

7.1 No consultation was carried out as this Order forms part of the annual legal requirement for the Treasury to review the rates of Child Benefit and Guardian's Allowance.

8. Applicable Guidance

8.1 Current and past rates are published on the GOV.UK website. [1]

[1] Current and past rates: https://www.gov.uk/government/publications/rates-and-allowances-tax-credits-child-benefit-and-guardians-allowance/tax-credits-child-benefit-and-guardians-allowance

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because it relates to a statutory annual obligation to review Child Benefit rates in line with the general level of prices, and to increase Guardian's allowance in line with general level of prices.

9.2 The impact on individuals and families is that all customers receiving Child Benefit and have not opted out of payments due to the High-Income Child Benefit Charge will see a rise of £1 per week for the first child (£52 per year) and 65p per week (£33.80 per year) for each subsequent child. The overall average annual increase is £67.71.

Impact on businesses, charities and voluntary bodies

9.3 There is no, or no significant impact on businesses, charities or voluntary bodies.

9.4 The legislation does not impact small or micro businesses.

9.5 There is no, or no significant impact on the public sector.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The rates of Child Benefit and Guardian's Allowance are subject to review each tax year in accordance with section 150 of the Social Security Administration Act 1992, and section 132 of the Social Security Administration (Northern Ireland) Act 1992.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 This up-rating order is usually laid with a report under section 41 of the Tax Credits Act 2002 which is required by that section of that Act. The report under section 41 sets out the up-rated monetary amounts of elements of tax credits and applicable thresholds. No report under section 41 is laid with this instrument because there are no tax credit awards after 5 April 2025 and therefore there are no tax credit elements or applicable thresholds which could be up-rated. The previous section 41 report prepared by HM Treasury and laid with the Child Benefit and Guardian's Allowance Up-rating Order 2025 (SI 2025/292) made clear that tax credits had closed and that there would be no new tax credit awards after 5 April 2025.

12. European Convention on Human Rights

12.1 The Rt Hon James Murray, Chief Secretary to the Treasury has made the following statement regarding Human Rights:

"In my view the provisions of the Child Benefit and Guardian's Allowance Up-rating Order 2026 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").