EXPLANATORY MEMORANDUM TO

THE SOCIAL SECURITY (REMOVAL OF TWO CHILD LIMIT) (CONSEQUENTIAL AMENDMENTS) REGULATIONS 2026

2026 No. 316

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Work and Pensions and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Secondary Legislation Scrutiny Committee.

2. Declaration

2.1 Sir Stephen Timms, Minister for Social Security and Disability at the Department for Work and Pensions, confirms that this Explanatory Memorandum meets the required standard.

2.2 Helen Walker, Deputy Director for Universal Credit Policy at the Department for Work and Pensions, confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Matt Shortman at the Department for Work and Pensions can be contacted by email at the following address with any queries regarding the instrument: matt.shortman@dwp.gov.uk.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument provides for consequential amendments to a limited number of pieces of social security legislation upon the removal of the two child limit by the Universal Credit (Removal of Two Child Limit) Act 2026.

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 Great Britain. Social security is a transferred matter in Northern Ireland.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is Great Britain.

5. Policy Context

What is being done and why?

5.1 The Universal Credit (Removal of Two Child Limit) Act 2026 makes provision to remove the policy of paying the child element for a maximum of two children in a household (subject to a limited number of exceptions) in Universal Credit. As a result of this measure, a child element amount will be included in the Universal Credit

calculation for each child or qualifying young person in the household, increasing the amount of welfare support available to families on Universal Credit with three or more children or qualifying young persons.

5.2 As a result, a limited number of consequential amendments are required. These include revoking regulations that are no longer required following the removal of the two child limit in Universal Credit, and removing the two child limit for working age Housing Benefit claimants.

5.3 To ensure parity between Universal Credit and Housing Benefit claimants, this instrument removes the two child limit for working age Housing Benefit claimants. This means that working age families on Housing Benefit will now have all their children or qualifying young persons included when calculating their Housing Benefit award. The measure affects only working age claimants who are not entitled to Universal Credit, as those entitled to a means-tested benefit are 'passported' to the maximum eligible amount of Housing Benefit. No amendments to the pension age Housing Benefit regulations are required because The Social Security (State Pension Age Claimants: Closure of Tax Credits) (Amendments) Regulations 2024[1] removed the two child limit for pension age Housing Benefit claimants in June 2024.

5.4 Regulation 9[2] of The Social Security (Restrictions on Amounts for Children and Qualifying Young Persons) Amendment Regulations 2017[3] provided transitional protection for families with three or more children or qualifying young persons on 5 April 2017, by preventing the application of the two child limit in the calculation of their benefit entitlement. With the removal of the two child limit for working age Housing Benefit claimants, these saving provisions are no longer required. This instrument therefore revokes this provision.

5.5 Removal of the two child limit in Universal Credit also results in the removal of all associated exceptions. As a result, this instrument revokes regulations that provided transitional protection relating to these exceptions. Regulation 41[4] of The Universal Credit (Transitional Provisions) Regulations 2014, allowed for the carry-over of exceptions (multiple birth, adoption and non-consensual conception) for a step-parent from a previous award of Child Tax Credit, Income Support or income based Jobseeker's Allowance to Universal Credit. It allowed, in certain circumstances, these exceptions as if they had been claimed in a Universal Credit award, satisfying the requirement in paragraph 6(C) of Schedule 12[5] to The Universal Credit Regulations 2013[6]. This enabled step-parents to continue claiming specific two child limit exceptions for a particular child or qualifying young person they remained responsible for into a subsequent Universal Credit award made under specific circumstances, such as where the new award was formed following the death of the child's biological parent, ensuring continuity of support. However, with the removal of the two child limit, all exceptions are removed; as a result, this provision is no longer required and therefore is revoked.

5.6 Similarly, regulation 42[7] removed the requirement for claimants to re-submit evidence regarding non-consensual conception where this had already been provided to HMRC

[1] https://www.legislation.gov.uk/uksi/2024/611/contents/made
[2] https://www.legislation.gov.uk/uksi/2017/376/regulation/9
[3] https://www.legislation.gov.uk/uksi/2017/376/contents
[4] https://www.legislation.gov.uk/uksi/2014/1230/regulation/41
[5] https://www.legislation.gov.uk/uksi/2013/376/schedule/12
[6] https://www.legislation.gov.uk/uksi/2013/376/contents
[7] https://www.legislation.gov.uk/uksi/2014/1230/regulation/42

for a Child Tax Credit award. With these exceptions no longer in place, these rules are now revoked.

5.7 The Welfare Reform and Work Act 2016[8] restricted support in Universal Credit and Child Tax Credit to a maximum of two children or qualifying young persons for whom a claimant is responsible. As a result, The Social Security (Restrictions on Amounts for Children and Qualifying Young Persons) Amendment Regulations 2017[9] made changes to Housing Benefit, Income Support and Jobseeker's Allowance to reflect the two child limit in the calculation of these benefit awards. With the removal of the two child limit, regulation 4 of this instrument revokes the consequential changes made for Income Support and Jobseeker's Allowance. These provisions are revoked as they are no longer required following the removal of the two child limit.

What was the previous policy, how is this different?

5.8 Prior to the Universal Credit (Removal of Two Child Limit) Act 2026, the two child limit policy limited additional support in both Universal Credit and Housing Benefit to the first two children or qualifying young persons in a household. Introduced in April 2017, the two child limit formed part of a wider welfare reform designed to ensure that benefit entitlement reflected choices and financial considerations similar to those faced by working families. Under this approach, households generally received support for no more than two children unless a specific exception applied to a third or subsequent child, or the child was born before the policy was introduced. This meant families with three or more children did not routinely receive additional Universal Credit child element amounts or Housing Benefit child personal allowances for their third or subsequent child.

5.9 As part of the Child Poverty Strategy[10], the Universal Credit (Removal of Two Child Limit) Act 2026 removes the two child limit from Universal Credit along with all associated exception rules. Under the previous policy, both Universal Credit and working age Housing Benefit included support for up to two children or qualifying young persons unless an exception, such as multiple birth, adoption, a non-parental caring arrangement or non-consensual conception, applied. To fully remove the two child limit and ensure parity between Universal Credit and Housing Benefit claimants, equivalent changes are required to working age Housing Benefit. Accordingly, this instrument removes the two child limit from the Housing Benefit Regulations 2006[11]. As a result, every child or qualifying young person for whom the claimant or their partner is responsible will now be included in the applicable amount used to calculate the maximum Housing Benefit award, replacing the previous position where generally only the first two children or qualifying young persons were included.

5.10 The removal of the two child limit in Housing Benefit also means that the transitional provision introduced by regulation 9[12] of The Social Security (Restrictions on Amounts for Children and Qualifying Young Persons) Amendment Regulations 2017 is no longer required. This provision protected the position of a claimant from the two child limit if they were entitled to Housing Benefit on 5 April 2017 and responsible for more than two children or qualifying young persons. It ensured that families were not immediately affected by the two child limit and could continue to receive support for all their existing children or qualifying young persons until the claimant either

[8] https://www.legislation.gov.uk/ukpga/2016/7/contents
[9] https://www.legislation.gov.uk/uksi/2017/376/contents
[10] https://www.gov.uk/government/collections/child-poverty-strategy
[11] https://www.legislation.gov.uk/uksi/2006/213/contents
[12] https://www.legislation.gov.uk/uksi/2017/376/regulation/9

made a new claim for Housing Benefit or became responsible for an additional child or qualifying young person, whichever occurred first. As a result of the removal of the two child limit, all children or qualifying persons for whom the claimant or their partner is responsible will be included in the Housing Benefit award from 6 April 2026. This provision is therefore no longer required and is revoked.

5.11 A limited number of consequential amendments are also required to revoke regulations which provided for transitional arrangements for carrying over the two child limit exception from legacy benefits to Universal Credit. Regulation 41[13] of The Universal Credit (Transitional Provisions) Regulations 2014[14] provided a transitional arrangement that allowed for the carry-over of the two child limit exceptions (multiple birth, adoption and non-consensual conception) from legacy benefits to Universal Credit for step-parents in specific circumstances. This allowed these exceptions to be treated as if they had been claimed under Universal Credit, satisfying the requirement of paragraph 6(c) of Schedule 12[15] of The Universal Credit Regulations 2013[16] – that an exception must have existed in a previous Universal Credit award. While step-parents could not claim the exceptions in their own right, paragraph 6 of Schedule 12 allowed for an exception that was in place in a previous joint award (with a natural or adoptive parent) to continue in a subsequent award made to the step-parent, provided they remained responsible for the relevant child or qualifying young person. This avoided a cash loss for the step-parent where the conditions for the exception could no longer be met, for example if the joint claimant (the natural or adoptive parent) died or otherwise left the household. The continuation provision applied in respect of the multiple birth, adoption and non-consensual conception exceptions only. However, with the removal of the two child limit and all related exceptions, these provisions are no longer needed and are being revoked.

5.12 Regulation 42[17] of The Universal Credit (Transitional Provisions) Regulations 2014 removed the need for claimants to re-submit evidence of the non-consensual conception exception where it had already been provided to HMRC for a Child Tax Credit award. This provision ensured that parents who had qualified for the non-consensual conception exception under legacy benefits were carried over into the Universal Credit award calculation. However, following the Universal Credit (Removal of Two Child Limit) Act 2026, the two child limit and all related exceptions no longer apply. As a result, these transitional arrangements no longer have any practical purpose, and accordingly this instrument removes these obsolete regulations.

5.13 In 2017, amendments were also made by regulation 5[18] and regulation 6[19] of The Social Security (Restrictions on Amounts for Children and Qualifying Young Persons) Amendment Regulations 2017[20] to Income Support and Jobseeker's Allowance, respectively, to include the two child limit in the calculation of these legacy benefit awards. Following the removal of the two child limit in Universal Credit, the regulations made in 2017 to introduce the limit to these legacy benefits are no longer necessary and are therefore revoked.

[13] https://www.legislation.gov.uk/uksi/2014/1230/regulation/41
[14] https://www.legislation.gov.uk/uksi/2014/1230
[15] https://www.legislation.gov.uk/uksi/2013/376/schedule/12
[16] https://www.legislation.gov.uk/uksi/2013/376
[17] https://www.legislation.gov.uk/uksi/2014/1230/regulation/42
[18] https://www.legislation.gov.uk/uksi/2017/376/regulation/5
[19] https://www.legislation.gov.uk/uksi/2017/376/regulation/6
[20] https://www.legislation.gov.uk/uksi/2017/376

6. Legislative and Legal Context

How has the law changed?

6.1 This statutory instrument makes consequential amendments to social security regulations upon the abolition of the two child limit by the Universal Credit (Removal of Two Child Limit) Act 2026. These amendments come into force on the same day as the Universal Credit (Removal of Two Child Limit) Act, 6 April 2026.

6.2 All regulations in this instrument reverse consequential changes made by The Social Security (Restrictions on Amounts for Children and Qualifying Young Persons) Amendment Regulations 2017[21].

6.3 Regulation 2 amends regulations 22[22] and 23[23] of The Housing Benefit Regulations 2006[24] to remove the two child limit in the calculation of the Housing Benefit award for working age claimants. This follows a similar amendment made by The Social Security (State Pension Age Claimants: Closure of Tax Credits) (Amendment) Regulations 2024[25] in June 2024, which removed the two child limit from The Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006.[26]

6.4 Regulation 4(c) of this instrument is consequential upon regulation 2 of this instrument. It repeals savings provisions in The Social Security (Restrictions on Amounts for Children and Qualifying Young Persons) Amendment Regulations 2017 that dealt with the application of the two child limit to households who were, as of 5 April 2017, receiving Housing Benefit.

6.5 Regulation 3 of this instrument revokes regulation 41[27] and regulation 42[28] of The Universal Credit (Transitional Provisions) Regulations 2014[29] as the provisions are now spent and rely upon Schedule 12[30] (Availability of the child element where maximum exceeded – exceptions) of The Universal Credit Regulations 2013[31], which has been revoked by the Universal Credit (Removal of Two Child Limit) Act 2026.

6.6 Regulation 4 revokes regulations 5[32] and regulation 6[33] of The Social Security (Restrictions on Amounts for Children and Qualifying Young Persons) Regulations 2017. Those regulations had the effect of modifying The Income Support (General) Regulations 1987[34] and The Jobseeker's Allowance Regulations 1996[35] by introducing the two child limit in the applicable amount.

[21] https://www.legislation.gov.uk/uksi/2017/376
[22] https://www.legislation.gov.uk/uksi/2006/213/regulation/22
[23] https://www.legislation.gov.uk/uksi/2006/213/regulation/23
[24] https://www.legislation.gov.uk/uksi/2006/213
[25] https://www.legislation.gov.uk/uksi/2024/611
[26] https://www.legislation.gov.uk/uksi/2006/214/contents
[27] https://www.legislation.gov.uk/uksi/2014/1230/regulation/41
[28] https://www.legislation.gov.uk/uksi/2014/1230/regulation/42
[29] https://www.legislation.gov.uk/uksi/2014/1230
[30] https://www.legislation.gov.uk/uksi/2013/376/schedule/12
[31] https://www.legislation.gov.uk/uksi/2013/376
[32] https://www.legislation.gov.uk/uksi/2017/376/regulation/5
[33] https://www.legislation.gov.uk/uksi/2017/376/regulation/6
[34] https://www.legislation.gov.uk/uksi/1987/1967
[35] https://www.legislation.gov.uk/uksi/1996/207

Why was this approach taken to change the law?

6.7 This is the only possible approach to make the necessary changes to remove the two child limit in full.

7. Consultation

Summary of consultation outcome and methodology

7.1 As part of our statutory duty to consult Local Authority Associations (LAAs) on any changes made to Housing Benefit regulations, the department undertook a consultation on these regulations with the LAAs. By the end of the consultation period, the Department had not received any responses.

7.2 Under Section 173(5)[36] of The Social Security Administration Act 1992[37], referral to the Social Security Advisory Committee is not required for this instrument, as it is made within six months of the Universal Credit (Removal of Two Child Limit) Act 2026. This instrument makes consequential amendments to several income-related benefits, including Housing Benefit, Income Support, and Jobseeker's Allowance, following the removal of the two child limit in Universal Credit.

8. Applicable Guidance

8.1 For the changes to The Housing Benefit Regulations 2006, guidance will be issued to local authorities [38].

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full impact assessment has not been prepared for this instrument as there is no impact on businesses. These amendments are purely consequential in nature, required to reflect the removal of the two child limit in Universal Credit. This includes revoking regulations that are no longer in effect, following the removal of the two child limit, and amending Housing Benefit regulations to ensure parity between Housing Benefit and Universal Credit in relation to the removal of the two child limit.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant impact on business, charities or voluntary bodies. The impact of this measure only relates to working age Housing Benefit claimants that are not in receipt of Universal Credit, as those with a dual Universal Credit claim are 'passported' to receive their maximum Housing Benefit award. Our analysis estimates that there were approximately 400 Housing Benefit claims in scope due to living in supported housing or temporary accommodation, of working age, with more than two dependent children on the claim, and have a tapered Housing Benefit amount.

9.3 The legislation does not impact small or micro businesses.

9.4 There is no, or no significant impact on the public sector. This instrument makes consequential amendments to remove regulations that are no longer required following the removal of the Universal Credit two child limit and removes the two child limit in Housing Benefit.

[36] https://www.legislation.gov.uk/ukpga/1992/5/section/173
[37] https://www.legislation.gov.uk/ukpga/1992/5
[38] https://www.gov.uk/government/collections/housing-benefit-for-local-authorities-circulars

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 There are no plans to formally monitor and review the impacts of these regulations. This is because the instrument only includes a small number of necessary consequential amendments, revoking redundant provisions and removing the two child limit from Housing Benefit for working age claimants.

10.2 The instrument does not include a statutory review clause.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 This statutory instrument could only be laid following the Royal Assent of the Universal Credit (Removal of Two Child Limit) Bill, due to this, it breaks the 21-day convention governing the interval between laying and the commencement date. This departure from the standard procedure is necessary to ensure the instrument aligns with the commencement date of the Universal Credit (Removal of Two Child Limit) Act 2026, to avoid a legislative gap. This will ensure that the two child limit is removed in Housing Benefit at the same time as the two child limit is removed in Universal Credit, preventing working age Housing Benefit claimants from being unintentionally and unfairly disadvantaged.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

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”).