

DWP Central Freedom of Information Team

e-mail: [freedom-of-information-request@dwp.gsi.gov.uk](mailto:freedom-of-information-request@dwp.gsi.gov.uk)

Our Ref: VTR IR780

Date: 29 October 2013

Dear P Maddison,

I am writing in response to your review request received on 12 October 2013. An internal review has been carried out by someone of a senior grade to the person who dealt with your original request. I am now in a position to respond to you. In your review request you said:

*I am writing to request an internal review of Department for Work and Pensions's handling of my FOI request 'How are amounts for benefits calculated'.*

*I am asking that the DWP give information on how they calculate how much each benefit is, such as Income Support - What are they basing their calculations on. They must have an idea on what the money is going to be used for to be able to come up with an amount for the benefit.*

I am satisfied that the link we provided in response to your first request answered the initial questions you raised; however I would like to add the following:

Different benefits have been introduced at different times. The basic rates of personal allowances were set back in 1988 when Supplementary Benefit was replaced by Income Support. The rates were very similar to those that applied to Supplementary Benefit, and were regarded as reasonable to cover day-to-day living expenses. The same basic rates have been adopted by further working age income-related benefits as they were introduced: Jobseeker's Allowance (October 1996) and Employment and Support Allowance (October 2008).

The rates of social security benefits are reviewed each year by the Secretary of State and are up-rated under powers conferred by the Social Security Administration Act 1992, Section 150. The amounts by which specified benefits are increased in any year are set out in the Up-rating Order for that year. The Up-rating Order is laid in draft and debated in both Houses of Parliament before it is made.

There is no specific law which states that you need a certain amount of money to live on. The wording "the amount the law says you need to live on" is still used in some of our notification letters.

The phrase "the amount the law says you need to live on" in fact refers to the "applicable amount" of benefit, laid down in law, that can be awarded if a person satisfies the conditions of

entitlement. This amount may not be the amount that is actually awarded as it may be reduced by any income, savings or capital that any person in that award has. It can be further reduced if a claimant fails to comply with the conditions attached to receiving that benefit, this is known as a sanction or penalty, or if deductions are made direct to third parties such as housing, fuel or maintenance charges.

If you have any queries about this letter please contact me quoting the reference number above.

Yours sincerely,

DWP Central FoI Team

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**Your right to complain under the Freedom of Information Act**

If you are not content with the outcome of the internal review you may apply directly to the Information Commissioner's Office for a decision. Generally the Commissioner cannot make a decision unless you have exhausted our own complaints procedure. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow Cheshire SK9 5AF [www.ico.gov.uk](http://www.ico.gov.uk)