

DWP Central Freedom of Information Team

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

Our Ref: Fol 3560

DATE: 20 October 2016

Dear A Clerk,

Thank you for your Freedom of Information request of 23 September 2016. You asked:

*Are the figures you provided calculated prior to your deductions of 65 pence in the pound or after the deductions?*

And

*After the 65p in the pound deduction the £338.00 is reduced to just £118.30! Your figures are rather misleading.*

The current AET has been set at £338 per month for a single person and £541 for couple – based on gross taxable pay. The '65p in the pound deduction' referred to in the request relates not to earnings, but to the Universal Credit award.

In households where a work allowance applies, earnings above the work allowance are taken into account, but not pound for pound. The amount of earnings over the work allowance is multiplied by the taper rate (65%) to give the level of earnings to be taken into account against the Universal Credit award. In effect this means that for every pound people earn above their work allowance, their Universal Credit award is reduced by 65p.

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

Yours sincerely,

DWP Strategy Fol Team

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

If you are not happy with this response you may request an internal review by e-mailing [freedom-of-information-request@dwpgsi.gov.uk](mailto:freedom-of-information-request@dwpgsi.gov.uk) or by writing to DWP, Central Fol Team, Caxton House, Tothill Street, SW1H 9NA. Any review request should be submitted within two months of the date of this letter.

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)