

Taxation and Social Security

Overview policy paper for the Commission on a Gender-Equal Economy

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January 2020

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Summary recommendations

As an overarching principle we recommend that the tax/benefit system should be designed, in conjunction with other policies, to help reduce inequalities not only between households, but also between individuals *within* households, and between different groups in society, including in relation to ethnic origin, disability and age-based inequality, in addition to gender. The social security and taxation systems together should be reformed to help to eliminate such inequalities in the long run, while at the same time recognising the unequal positions in which people currently find themselves.

Our joint recommendations include the following:

Reforms to the tax and social security systems to promote financial autonomy and agency for women and men and to reduce the gender income and employment gaps

- **Reintroduce genuine independent taxation of income**, by abolishing the marriage allowance and the high-income child benefit tax charge;
- **Make the tax system contribute more to reducing income inequalities**, including by raising more revenue to spend more on social security, raising the proportion of the total that comes from income taxes, and reforming the structure of income tax and national insurance contributions together to become more progressive;
- **Consider abolishing the personal tax allowance to fund a small cash payment to all adults** – which would not avoid the need to think about the amount and structure of other benefits;
- **Replace other allowances against personal income tax**, by converting as many as possible into direct provision or benefits, and restricting others to the basic rate of tax;
- **Take further measures to improve revenue collection**, by reducing allowances and reliefs, and taxing income from all sources equally;
- **Improve and extend individual non-means-tested benefits to replace means-tested benefits wherever possible**, by making access easier (especially for part-time and temporary workers),

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improving amounts, and reversing the recent limit imposed on the time for which employment and support allowance can be paid for some claimants;

- **Introduce reforms to allow more autonomy within remaining means-tested benefits**, by reducing employment disincentives for 'second earners' in couples, paying some benefit to each partner in couples, making conditions more flexible, and as a more fundamental change introducing partial individualisation, as in Australia.

However, only focusing on enhancing individual incomes, autonomy and employment possibilities without taking account of the gendered division of unpaid care is likely to result in greater gender inequality, because many women are still economically dependent on their partners. To tackle this issue requires fairer sharing of caring. Tax/benefit reforms can help, but not fully achieve this. But they can help with sharing the costs of caring more equally.

Reforms to the social security system to reduce the costs to individuals of caring and to share them more equally

- **Improve benefits to meet the additional costs of caring for children and disability**, including raising child benefit and abolishing the high-income child benefit tax charge, and ensuring that benefits for disability costs continue to be paid to the disabled person;
- **Improve caring credits for qualifying for benefits**, including following maternity leave.

Reforms to promote the sharing of paid and unpaid work more fairly between the sexes, and between parents/carers and society

- **Improve support for exceptional periods of caring responsibilities through maternity/paternity/adoption and parental leave, and leave for caring for disabled/elderly people, in terms of both generosity and structure**, including higher payments, introducing a 'use it or lose it' period of parental leave for fathers and short-term care leave for those caring for disabled/elderly people;
- **Improve childcare provision and support for it**, including by transforming subsidies to parents into direct support for childcare provision;
- **Provide care for disabled/elderly people, and support for those doing long-term care unpaid**, by providing high quality public care and improving carer's allowance.

1 Introduction

This paper discusses social security and personal taxation, two systems that **together** determine how much money women and men have to spend and under what conditions. They are an important way in which governments implement policies, such as help with the costs of raising children, with some functions able to be carried out by either system. Both systems affect gender roles and relationships, raising and potentially addressing issues about gender inequality and power.

Appendix 1 analyses the gendered distributional impacts of the current systems. It shows that, because of women's greater role in caring and their consequently lower earnings, women receive more of their income in social security and men, who earn more, pay more tax. However, the gender impacts of the current tax and social security systems are not only distributional.

We see a tax/benefit system in a more gender equal economy as:

- enabling autonomy and agency for women and men, including financial autonomy;

- reducing gender inequalities in access to resources over the life-course;
- sharing paid and unpaid work and the costs of caring more fairly; and
- promoting good employment and a healthy environment for all.

However, **tax/benefit reforms can only ever be elements of a more comprehensive strategy** to tackle gender inequalities, which must encompass high quality public services, good employment terms and conditions and improvements to many other areas of life. Nor is **a tax or social security solution always the best way forward**, with direct support or intervention often more effective through, for example, childcare provision,² social housing³ and labour regulation.⁴ We make some comments in the following sections as to when we consider other solutions to be preferable.

The paper discusses taxation and social security in turn,

- setting out the purposes and functions of each system;
- explaining how they work at present;
- describing recent trends;
- putting forward key principles for a more gender-equal system;
- posing key issues and questions from a gender perspective; and
- investigating proposals for changes from others and assessing them in the light of the key principles defined earlier.

We then set out the case for more progressive taxation at meaningful levels and a more all-encompassing social security system than the current pared-down version. It is only if this is promoted and accepted that the widespread public support and clear political will, which is required to build a tax/benefit system to make progress towards substantive and sustainable gender equality, will be achieved.

2 Taxation

2.1 The purposes and functions of taxation

Taxation is an important way in which governments can implement their programmes, by using it to:

- Enable people and businesses to contribute, according to their means, to the costs of having a well-running economy and an equal and caring society from which they all benefit
- Affect the overall distribution of resources, redistributing original incomes between individuals, and both between and within households, in combination with social security benefits and public services
- Influence the level of “activity” of the economy as a whole, that is, influence how many jobs there are and therefore how much paid and unpaid time

² See De Henau, J. (2019). Early Childhood Education and Care (ECEC) policies. Policy paper for the Commission on a Gender-Equal Economy <https://wbg.org.uk/wp-content/uploads/2019/11/Early-childhood-education-and-care-policies.pdf>

³ See the papers presented to the Commission on paid and unpaid work: <https://wbg.org.uk/commission/inputs-to-the-commission/policy-papers-work-paid-and-unpaid/>

⁴ See Reis, S. (2019). Housing and gender equality. Policy paper for the Commission on a Gender-Equal Economy <https://wbg.org.uk/wp-content/uploads/2019/11/Housing-and-gender-equality.pdf>

- Incentivise behaviour with desired social outcomes and disincentivise undesirable behaviour:
 - determining employment incentives through effects on the gains to employment – often in conjunction with the social security system;
 - influencing thereby the division of labour between paid and unpaid work

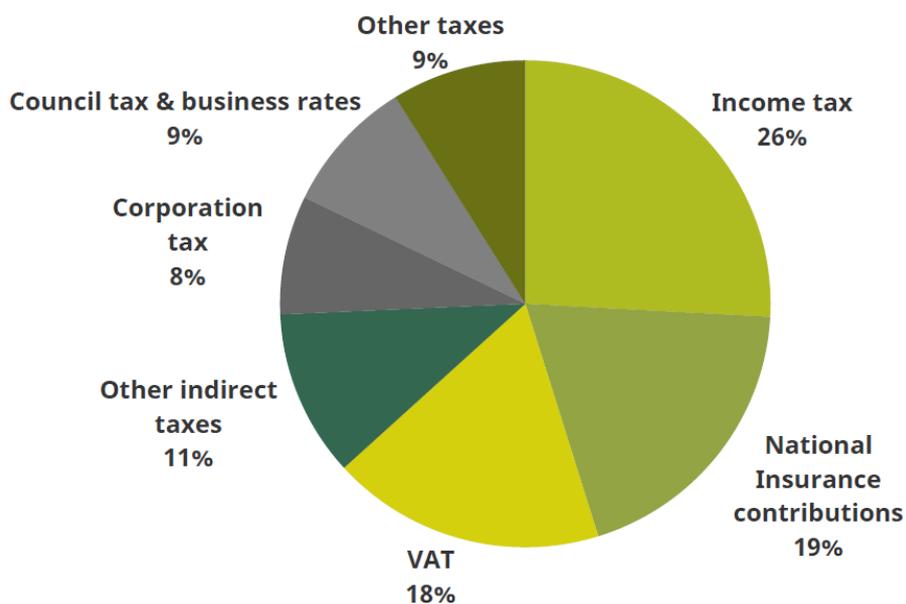
All of these functions have gender implications, which this paper will go on to explore.

2.2 The existing taxation system

Taxes are raised in a number of different ways in the UK on businesses, individuals and households, and paid to three different levels of government: central government (HM Revenue and Customs - HMRC), devolved governments and local government.

As Figure 1 shows, Income tax, National Insurance contributions, VAT, fuel taxes and other indirect taxes make up just under three-quarters of all tax receipts. These taxes, which are mainly levied on households and individuals, will be considered in this paper. Other taxes, including those on wealth and on corporations, are considered in a separate paper.

Figure 1 The composition of tax receipts in 2019-20



Source: <https://www.ifs.org.uk/uploads/BN259-How-high-are-our-taxes-and-where-does-the-money-come-from.pdf>

Bearing in mind that the revenue raised by any tax depends on what is taxed, its 'base', and the rate at which it is taxed, the taxes to be considered in this paper are:

Personal income tax: this brings in the largest share of revenue of any tax. It is levied on individual incomes above the annual personal allowance, currently £12,500, at a basic rate of 20%, and at higher rates over various thresholds shown in Table 1. Anomalies (not shown in Table 1) are that the personal allowance is withdrawn from those earning over £125,000 and that, under certain circumstances, a small portion of the personal allowance can be transferred to a spouse as a Marriage Allowance (see below under Independent Taxation).

Table 1: The UK's personal income tax schedules

Annual income	UK tax rate	Scottish tax rate		Dividend income
Less than personal allowance £12,500	0%	0%		0%
Basic rate £12,501 - £50,000	20%	Starter rate £12,501 -£14,549	19%	0% (using Tax-free Dividend Allowance)
		Basic rate £14,550 - £24,944	20%	
		Intermediate rate £24,945 - £43,430	21%	
		Higher rate £43,430 - £150,000	41%	32.5%
Higher rate £50,000 - £150,000	40%			
Additional rate above £150,000	45%	Top rate above £150,000	45%	38.1%

The governments of Scotland and, more recently, Wales have tax-raising powers and can alter the schedules but not the personal allowance set by the UK government. In Scotland there are more bands, allowing tax on earnings to be slightly more progressive. The Welsh government has had tax-raising powers only since April 2019 but has not used them yet.

In all jurisdictions, income from dividends are taxed at considerably lower rates in each band.⁵ Income from savings also enjoys some additional allowances for those on lower incomes (not shown in Table 1).

National insurance contributions (NICs): these are paid by both employees and employers, as well as self-employed people, to entitle them to a state pension and contributory benefits (see social security section). They are payable for each job and eligibility is not cumulated.⁶

Table 2: The UK's National Insurance Contributions (NICs)

Weekly earnings	Employees pay	Employers pay	Entitlement to benefits
Less than £118	0	0	no
£118 - £166	0	0	yes
£166 - £192	12%	13.8%	yes
More than £192	2%	13.8%	yes

The self-employed pay NICs at lower rates, which entitles them to some but not all the same benefits as the employed. Employees over pension age do not pay NICs, but their employer still does and, depending on their profits, they might have to still do so if self-employed. Parents, carers and those on some benefits get NIC credits without having to pay NICs (see under social security).

⁵ Until 1985, the reverse was the case, and an "investment income surcharge" of 15% was payable on unearned income payable on interest, dividends, rents and other unearned income above a threshold.

⁶ Seely, A, (2019), 'National insurance contributions (NICs): An introduction', *Briefing paper no 4517*, House of Commons Library: <http://researchbriefings.files.parliament.uk/documents/SN04517/SN04517.pdf>

Indirect taxes: The two indirect taxes that raise substantial amounts of revenue are VAT and the fuel levy. Table 3 shows VAT rates and the goods and services to which they apply.

Table 3: UK VAT rates

Standard rate	20%	Most goods and services
Reduced rate	5%	Some goods and services, eg children’s car seats, home energy and women’s sanitary products ⁷
Zero rate	0%	Zero-rated goods and services, eg most food and children’s clothes

No other indirect taxes, except fuel duty, raise a significant amount of revenue, but are justified mainly as means of discouraging undesirable behaviour. Many environmental taxes, such as the Climate Change levy on the fuel used by businesses and Air Passenger Duty, are indirect taxes brought in to contribute to reducing climate change and environmental degradation. The headline rate of fuel duty per litre has been frozen since 2011-12.

2.3 Trends and comparisons

In the early post-war years, the UK was a relatively high-tax country, and it remained so into the 1970s. But, while in most other industrial countries tax revenue continued to grow as a share of GDP at least into the 1980s and often beyond, in the UK it fell during the 1980s and it remains a relatively low-tax country compared with most other Western European countries. It now is at its highest sustained level since the 1940s for the UK, at 34.1% of GDP, but this is still low compared with an EU-28 average of 39%.⁸ This is mainly because National Insurance contributions, at 6.1% of GDP, are considerably lower than the compulsory social contributions in other countries: the EU-28 average is 12.2%.

2.3 Key issues and questions from a gender perspective

The different functions of taxation work together and may be in tension with one another, so ideally the full implications of tax policy on a range of gender inequalities should be taken into account, though this is not often easy to do.

In particular, tax policies can directly affect gender inequalities in:

- the distribution of post-tax incomes, at both household and individual level;
- the employment opportunities created by the overall level of activity in the economy and the division of paid and unpaid work;
- behaviour that is made more or less costly through changes in how it is taxed; and the effects on others of such behaviour;

and indirectly through taxation’s financing of

- public spending (including benefits paid, services provided, job opportunities and/or relief of unpaid work);
- the quality and sustainability of the society

which also have implications for gender inequality and the well-being of women and men.

⁷Despite protests, women’s sanitary products are taxed at the reduced rate of 5%, the lowest allowable rate under EU regulations which prevent any additional goods being zero-rated or exempted from paying VAT.

⁸ OECD, *Revenue Statistics, 1965–1999*, Paris: OECD, 2000. This figure includes taxes, such as taxes on businesses and capital and stamp duty, not considered in this paper.

The progressivity of the tax system and its distributional effects on gender equality

A progressive tax system is one that reduces income differentials, usually, but not necessarily, assessed on (equivalised) household incomes.⁹ Table 4 gives the ratio of the average income of the richest fifth of households to that of the poorest fifth at various stages before and after benefits are paid and/or taxes taken off. It shows the combined effect of income and indirect taxes is to slightly worsen household income inequality, but those taxes make a significant contribution to reducing that inequality through funding the social security system and public services.

Table 4: Ratio of household income of top to bottom quintile: various pre- and post-tax measures

<i>Before all taxes and benefits</i>	<i>Taking account successively of:</i>			
	<i>social security benefits,</i>	<i>income taxes,</i>	<i>indirect taxes,</i>	<i>and public services</i>
Original income	Gross income	Disposable income	Post-tax income	Final income
11.2	6	5.2	6.2	3.5

Source: [Effects of taxes and benefits on UK household income: financial year ending 2018](#)

The same applies to gender income inequality. Because women tend to have lower original incomes but receive more in social security benefits and make more use of public services than men, funding the social security system and public services is the main contribution that the personal tax system makes to reducing gender inequality in incomes.

However, different parts of the tax system contribute differently. How much the whole system contributes to reducing gender inequality depends not only on what each part does in itself, but also on how much revenue is collected by it, both relative to other parts of the tax system and crucially in terms of the social security benefits and public services that it funds.

Rising rates on higher incomes makes personal income tax a progressive tax, but it is much less progressive than it was before the 1980s, when tax rates were higher, particularly on the highest incomes. In the 1990s there were also successive cuts in the basic rate and, from 2008 onwards, increases in the personal tax allowance that made personal income tax a somewhat more progressive tax *in itself*, but reduced the proportion of total revenue raised by it. This made the tax system as a whole less progressive since, as Table 4 shows, income taxes are the only progressive part of the UK personal tax system, and therefore the part that can contribute most to reducing gender income inequality.

Table 4 does not distinguish between personal income tax and NICs, but while the former is definitely progressive, NICs have a more complex schedule. NICs are paid only on earnings, and at a lower rate on those above its upper limit than on those below it (see Table 2 and social security section). Fewer women than men benefit from paying the lower rate of NICs. Otherwise NICs have a progressive schedule that will contribute to increasing gender income equality.

Indirect taxes are generally regressive, since poorer households tend to spend more of their income and therefore pay proportionately more of it in VAT. However, the zero rating of food and children's clothing renders VAT less regressive in the UK than in other countries, and in particular reduces its

⁹ The impact of direct taxes can also be assessed at the individual level, but because households do share consumption goods it is more usual to assess the progressivity of indirect taxes at the household level. Consequently, it is customary to look at the tax system as a whole at the household level.

incidence on poorer households with children, in which the majority of adults are women.¹⁰ Other indirect taxes, including on alcohol, tobacco and sugar, are justified mainly as means of discouraging undesirable behaviour. Men tend to spend more of their income than women on all these, and therefore pay more of these taxes.¹¹ These taxes, which various studies have shown to be effective in reducing consumption, therefore also reduce gender income inequalities. However, their more significant gender effects may lie elsewhere: in reducing overlong commuting, domestic violence and improving health, thereby reducing demands for women's unpaid care as well as freeing up the National Health Service, all of which would benefit women and reduce corresponding gender inequalities.

Who pays tax?

The top 1% of income taxpayers now constitute just 0.57% of the population, but pay 30% of total income tax collected (compared with just 11% in 1978–79), an outcome partly due to the increasing inequality in original incomes and partly due to changes in policy, including raising the threshold at which income tax starts to be paid.¹² While the outcome may be considered a fair redistribution, it also gives that top 1%, few of whom are women, potential undue influence on policy,¹³ an influence that is likely to result in policies working in the wrong direction with respect to gender equality. Without substantial change in tax policy, governments would be hard pressed to do without such a large source of revenue.

Further, that a smaller proportion of the population now pay any income tax may also not have benefitted women. Governments since 2010 have claimed as a measure of success how many people, and women in particular, they have “taken out of tax” by their policies, an incorrect claim since everyone pays indirect taxes. Rather, everyone should be recognised as making a tax contribution, and, in terms of promoting gender equality, it is far better that tax is collected through progressive income tax than other more regressive taxes.

Independent taxation

Income tax is paid individually in the UK, unlike in some other countries where couples have to submit joint returns.¹⁴ Under joint taxation systems, wives are taxed at the same rate as their husbands, typically at a higher rate (because of men's higher incomes) than they would pay if taxed on their own income alone. Joint taxation therefore increases gender inequalities in two ways: by making the lower earner in a couple both pay more tax and gain less from taking employment or from increasing their earnings. As a result, everything else equal, compared with joint taxation, independent taxation reduces gender inequalities in post-tax incomes and employment

¹⁰ Grown, C. and Valodia, I. *Taxation and Gender Equity: A Comparative Analysis of Direct and Indirect Taxes in Developing and Developed Countries* Routledge, IDRC,

¹¹ DNA legal (2016) [UK Drinking Patterns - Age and Gender](#); National Institute on Drug Abuse (2020) [Are there gender differences in tobacco-smoking?](#); Public Health England (2018), [National Diet and Food Study](#)

¹² <https://www.ifs.org.uk/publications/9178>

¹³ Scruggs, L. and Hayes, T.J., 2017. The Influence of Inequality on Welfare Generosity: Evidence from the US States. *Politics & Society*, 45(1), pp.35-66.

¹⁴ Most OECD countries now have separate income taxation of spouses and partners. It was a great victory for feminists in 1990, when the UK system was changed to “independent taxation”. Of course, it could be said that having a social security system which includes benefits means-tested on joint income undermines the effects of independent taxation for those being paid such benefits.

opportunities, and hence in the division of paid and unpaid labour (both within couples and within the population as a whole).

However, the coalition government introduced two measures which undermined independent taxation: the Higher Income Child Benefit Tax Charge (HICBTC) and the Marriage Allowance. The first means that those with an income over £50,000 per year with one or more children living in their household must pay a charge, in effect additional income tax, to pay back some or all of the child benefit received. With no stated plans to raise the threshold at which it kicks in an increasing number of people will be caught by HICBTC.¹⁵

Second, in order to “recognise marriage” in the tax system, a lower or non-earning spouse or civil partner is allowed to transfer £1,250 per year of their unused personal tax allowance to a basic rate tax-paying, higher-earning partner. This measure, brought in for explicitly ideological reasons, has been widely criticised as privileging married couples and civil partnerships rather than those with higher costs (e.g. those with children), increasing income inequality within the household (by giving more money to the higher earner) and discouraging second earner employment in poor families, where the best way out of poverty is not a small tax allowance but a second earner.¹⁶ In the recent election, all major parties except the Conservatives pledged to abolish the Marriage Allowance.

Tax allowances and tax avoidance

Tax allowances, sometimes - for good reason - called tax expenditures, reduce the amount of revenue raised by a tax. The Treasury has been criticised for not paying as much attention to the revenue losses due to tax expenditures as it does to the costs of funding general expenditures made by other departments.¹⁷ Some tax allowances, such as pension tax relief, reduce revenue by large amounts that could be more effectively spent elsewhere. In terms of gender equality, pension tax relief would be much better spent on raising the level of the state pension.¹⁸ Similarly, gender equality would be better served if the revenue lost through capital gains tax relief on selling owner-occupied homes was spent on providing social housing.¹⁹

Tax allowances are biased towards men and the better-off, and are problematic for a gender equal economy, because they reduce revenues and encourage tax avoidance schemes.²⁰ In most cases where a tax allowance encourages desirable behaviour, there are preferable direct measures that can be taken to facilitate or encourage that behaviour, for example, subsidies for research and development, or direct childcare provision.

That income from employment is taxed at a higher rate than income from other sources also gives scope for tax avoidance (usually only open to the better off) in shifting income from one form to

¹⁵ The HICBTC contradicts the principles of independent taxation by charging tax on income that may be received by someone else. An alternative is for the person claiming child benefit to opt not to receive payments. Although this does not literally contradict independent taxation, it does undermine the idea of child benefit being a universal (non-contributory) benefit.

¹⁶ <https://www.ifs.org.uk/publications/8957>

¹⁷ <https://www.instituteforgovernment.org.uk/blog/chancellor-needs-get-grips-tax-expenditures>

¹⁸ See Lowe (2020), Pensions and Gender Equality (parallel paper on pensions)

¹⁹ See Reis, S. (2019). Housing and gender equality. Policy paper for the Commission on a Gender-Equal Economy <https://wbg.org.uk/wp-content/uploads/2019/11/Housing-and-gender-equality.pdf>

²⁰ Reducing tax allowances would also help undermine the tax avoidance industry, which employs talented people to frustrate government policy, and has some particularly egregious sex discrimination practices.

another. Bogus self-employment is one way in which employers avoid paying NICs; the self-employed pay proportionately less in NICs than employees (though have rights to fewer benefits), giving workers some potentially costly scope for tax avoidance too.

Environmental taxes

These are usually indirect taxes that make goods and activities that are environmentally undesirable more expensive in order to discourage their use and shift people to less environmentally destructive alternatives. Such taxes can be regressive, and not necessarily the most effective way of achieving their goals, because lower-income consumers may be the ones using the least environmentally friendly equipment, such as older and more polluting cars, and may not be able to afford the capital costs of insulating their houses to use less fuel.

Fuel duty is the most important environmental tax and is regressive among car owners, because use does not go up in proportion to income. However, it is much less regressive over the population as a whole and reduces gender inequality, since car owners are on average better off and more often men; men also drive more than women and in particular drive longer distances to work. Long commuting times increase unpaid work and restrict the employment opportunities of partners, particularly when there are small children. Fuel tax has been frozen since 2011-12. Instead, gradually increasing the rate of fuel duty, as had been the plan before 2010, could raise revenue to spend on improving public transport and helping those who need individualised transport to find less polluting alternatives. Fuel duty does not have a long-term future. The Government's decision to ban the sale of petrol and diesel cars by 2040 should ultimately reduce receipts from it to zero.

Like other indirect taxes, environmental taxes tend to be politically contentious – in some countries extremely so - and cuts in them can improve a government's popularity and be tempting to add as sweeteners in a Budget. The initial freezing of fuel duty was in response to protests which the government feared might have serious economic consequences. Although they do not drive as much as men, many women supported those protests and fuel duty seems unpopular among women as well as men. There is clearly work to do if environmental taxes are to become widely accepted.

Using any proceeds of growth

Without any change in a tax schedule, revenues should increase over time both in real terms and, for progressive taxes whose rates rise on higher amounts, such as income tax, as a proportion of GDP in a growing economy, through what is known as "fiscal drag". How governments choose to use the revenues gained through fiscal drag can have significant effects on gender inequalities.

In practice, since the 1980s the gains of fiscal drag have largely been given away in income tax cuts. Since income tax is the most progressive of our current taxes, and women benefit disproportionately from public services and increases in social security benefits, this has been a missed opportunity to use the benefits of fiscal drag to tackle and substantially reduce gender inequalities.

Whether growth continues - and there are good environmental reasons to think it both unlikely and undesirable for it to do so - will have major effects on the scope for such revenue give-aways in the future and any opportunities to change policy direction without creating losers as well as winners.

2.4 Recent proposals for reform and their gender implications

A number of reforms of the tax system have been suggested, though few have been discussed in terms of their gender implications. These are outlined in Table 5.

Table 5 Proposals for Tax Reform

Reform proposed and by whom	How it would work	Impact on gender equalities	Alternative policies and other comments
Tax simplification Institute of Economic Affairs ²¹	<ul style="list-style-type: none"> • Flatter taxes, with fewer bands • Fewer environmental and other taxes designed to influence behaviour • Fewer tax allowances and loopholes 	<ul style="list-style-type: none"> • Would increase gender income and employment inequalities • Would increase undesirable behaviour and reduce revenue that could be used to tackle gender inequalities • Would reduce opportunities for tax avoidance, generally reducing gender inequalities 	<ul style="list-style-type: none"> • Move to more progressive income taxes would reduce rather than increase such gender inequalities • Direct interventions to prevent harmful and encourage good behaviour generally have more gender equal impact
Introduce gradually rising marginal income tax rates IPPR ²²	<ul style="list-style-type: none"> • Introduce smoothly increasing tax rates as income increases 	<ul style="list-style-type: none"> • Gets rid of ‘tax cliffs’, that can discourage people from earning more to avoid moving into a higher tax bracket • Might ease making adjustments to raise more revenue or make tax more progressive • Might discourage politicians from making promises not to raise tax rates 	<ul style="list-style-type: none"> • already used for parts of the tax schedule in Germany • with now only a few discrete tax rates, politicians and the public easily fixate on specific parameters of the tax system, making change difficult
Abolish the personal tax allowance and replace it by a partial basic income New Economics Foundation (NEF) ²³	<ul style="list-style-type: none"> • Redistribute the revenue lost through the personal allowance as a flat payment to all adults • Would only be a partial PBI since not enough to live on 	<ul style="list-style-type: none"> • Would reduce gender income inequalities because more women than men earn too little to make full use of personal allowance. • Would bring some individual autonomy by establishing a condition-free income floor • Might encourage more women than men to leave employment, entrenching gender roles and increasing the gender employment gap 	<ul style="list-style-type: none"> • In the NEF’s view, such a PBI must be seen as part of a renewal of the social contract to tackle poverty and improve wellbeing, which also requires strengthening and extending universal public services. • Other debates about basic income on gender inequalities are taken up in a separate paper.²⁴

²¹ P. Booth(ed.) (2016) *Taxation, Government Spending and Economic Growth*: <https://iea.org.uk/publications/taxation-government-spending-and-economic-growth/>

²² <https://www.ippr.org/files/2019-09/just-tax-sept19.pdf>

²³ <https://neweconomics.org/2019/05/imagining-a-new-social-contract>

²⁴ See Sharples, M. (2020). Basic income and gender equality (parallel policy paper on basic income)

<p>Continue raising tax thresholds</p> <p>Government policy: aims for an annual threshold of £12,500 for NICs. Likely to want to continue raising thresholds.</p>	<ul style="list-style-type: none"> • Raising primary threshold for NICs • Raising personal tax allowance • Raising higher rate threshold 	<p>Increases gender income and employment inequalities because:</p> <ul style="list-style-type: none"> • does not benefit those who earn below the existing thresholds, mostly women • excludes more women from paying income tax • lower earning income tax-payers gain least, mostly women • those on means-tested benefits have some of their gains means-tested away; • Reduces revenue that could be used to reduce gender inequalities. 	<p>More graduated rates of income tax starting at very low level but including more people would:</p> <ul style="list-style-type: none"> • Make income tax more progressive • Bring more people into income tax system • Be able to raise revenue better by targeting those on higher incomes <p>Tax cuts in VAT would be more progressive and reduce gender inequality more, but spending revenue saved on social security and public services even more so.</p>
<p>Tax all income the same</p> <p>Tax Research UK blog²⁵</p>	<ul style="list-style-type: none"> • Abolish special rates and allowances for investment and savings incomes • Consider introducing a surcharge on income types on which NI not raised to equalise total tax rate 	<ul style="list-style-type: none"> • Will increase gender equality of incomes since men more likely to <ul style="list-style-type: none"> • Have investment income • Earn enough to take up tax avoidance schemes that make use of differences in income tax rates ²⁶ 	<ul style="list-style-type: none"> • May also reduce incentive for employees to agree to bogus self-employment, with reduced employment rights
<p>Tax just enough to run economy at full capacity</p> <p>Progressive Economists Forum²⁷</p>	<ul style="list-style-type: none"> • Account should be taken of long-term revenue effects of policies • If operating at less than full capacity taxes should be less than spending to stimulate the economy 	<ul style="list-style-type: none"> • Gender equality in employment is promoted by a buoyant economy and by public spending to achieve this • Particularly when that spending focuses on investment that relieves unpaid labour and expands the labour force 	<ul style="list-style-type: none"> • Full capacity should be assessed by reference to employment that fully uses people's skills. Should count as unemployed those doing unpaid labour, if they would prefer a job, not just the registered unemployed. • Women are more likely than men to be employed in jobs that do not use their skills or to be doing unpaid labour

²⁵ Quoted in <https://www.independent.co.uk/money/spend-save/uk-tax-reform-incomes-super-rich-equality-progressive-taxation-millionaires-loopholes-a8019256.html> -

²⁶ See Palmer, R. (2020). Wealth, tax and gender. Tax Justice UK, policy paper for the Commission on a Gender-Equal Economy

²⁷ <https://progressiveeconomyforum.com/blog/can-we-afford-a-better-society-yes-we-can/>

3 Social security system

3.1 Purposes and functions

We use **‘social security’ rather than ‘welfare’** here, in order to avoid confusion with the welfare state as a whole, on the one hand, or welfare as residual provision only on the other.

The range of purposes that a social security system should fulfil, or contribute to fulfilling, for individuals and households in an economy such as the UK’s include:

- at a minimum, the relief of poverty and destitution and, more ambitiously, the prevention of poverty before it affects people;
- reduction of income inequalities - not just inequalities between households but also those related to gender, ethnic origin, disabilities etc.;
- encouragement and safeguarding of autonomy/agency;
- sharing of costs (especially of disabilities and raising children) across the population, and meeting of certain essential costs (e.g. housing) for those on low incomes;
- mutual insurance against common but uncertain risks to livelihoods (e.g. sickness or unemployment) and collective savings for retirement, thus providing security;
- redistribution of income over the individual lifecycle, to times when it is needed more;
- support of production, by facilitating paid employment (of good quality);
- support of reproduction (care); and
- support to help ensure people can fulfil their capabilities and live a flourishing life.

These functions may be carried out by a mix of state benefits and their ‘private’ equivalents, as well as by tax allowances and reliefs. The balance between these is a matter of political priority. But they should all be included in examining redistribution in society, and in judging its progress towards a gender equal economy. In addition, other provisions (such as services, or employment) clearly also help to fulfil these aims.

3.2 Operation of current social security system

This paper focuses on benefits for people of working age.²⁸ About half of all working-age households receive some benefit(s). Benefits vary in their **function**; the **unit of entitlement**; and the **route to entitlement**. The list below groups benefits by the way people qualify for them, and then within that by the other variations:

- **Individual benefits to replace earnings with no means test**
 - **contributory non-means-tested benefits to replace earnings**, such as ‘new style’ jobseeker’s allowance and employment and support allowance.
These are individually based, conditional on national insurance contributions (NICs) (which may include contribution credits), and often have behavioural conditions too (such as actively seeking work, for JSA).²⁹ Contribution conditions differ for different benefits. People in many situations who do not pay NICs can have contributions credited towards benefits

²⁸ See Lowe, J. (2020), Pensions and Gender Equality (parallel paper on pensions)

²⁹ Bereavement benefits are contributory, and used to be seen as compensating for loss of earnings (of a spouse), but have now become payments to recognise a disadvantageous event for a widow/widower or surviving civil partner (not cohabitants) - except for those with children, who can get continuing payments.

(e.g. parents getting child benefit get credits towards pensions; some carers for disabled/elderly people, unemployed people signing on and those who cannot work because of illness or disability can get credits for pensions and short-term contributory benefits);³⁰

- **non-contributory non-means-tested benefits to replace earnings:** e.g. carer's allowance, for those giving substantial care to people on certain disability benefits.

These benefits have an earnings rule for the individual claiming; as they are meant to be replacing earnings, someone claiming them cannot earn more than a certain amount. But a partner's earnings do not count at all, so this means many women with a partner earning can claim these benefits, whereas they would not be able to claim means-tested benefits.³¹ These benefits are also taxable, as they replace another form of taxable income (earnings).³²

- **Benefits to help with additional costs, with no contribution test or means test**
 - **towards the costs of raising children:** child benefit is paid for children (higher for the first/eldest child), and is not subject to the two child limit for means-tested benefits. But recipients or their partners on a certain band of earnings must now pay an additional tax charge on those earnings unless child benefit is given up (see section on tax); giving up child benefit may result in losing credited contributions towards pension unless deliberate action is taken to maintain this right;
 - **towards the additional costs of disability:** disability living allowance, replaced by personal independence payment (PIP), and attendance allowance for older people. The assessments for PIP in particular have been criticised for the way they are done, and for not using existing medical evidence from a claimant's doctor;
- **Means-tested benefits for those with low incomes and/or additional costs, for couples living together based on the needs and resources of both partners:**
 - **for those out of work,** such as income-based jobseeker's allowance and income-related employment and support allowance;³³
 - **for those in employment,** or with an earner in the household, working above a certain number of hours per week – working tax credit;
 - **for those with additional costs:** child tax credit, for low-income families with children; housing benefit for low-income households' rent (help with mortgages for those out of work is now given only in certain cases and only as a loan); and council tax support, to help with local tax.

Most of these means-tested benefits are being replaced by universal credit, which has been being gradually rolled out since 2013. However, Scotland is introducing a separate child payment as an additional £10 per week per child for families on universal credit;

³⁰ Those earning £118-£166pw pay no NICs but those earnings do help them qualify for contributory benefits. See CPAG (2019) *Welfare Benefits and Tax Credits Handbook 2019/20*, CPAG for details

³¹ Bennett, F & Sutherland, H. (2011) 'The importance of independent income: understanding the role of non-means-tested earnings replacement benefits', *ISER Working Paper no. 2011-09*, ISER, University of Essex: https://www.iser.essex.ac.uk/files/iser_working_papers/2011-09.pdf

³² See <https://www.gov.uk/income-tax/taxfree-and-taxable-state-benefits> (bereavement allowance is taxable, but maternity allowance is not)

³³ Income-based JSA is taxable, but income-related ESA is not

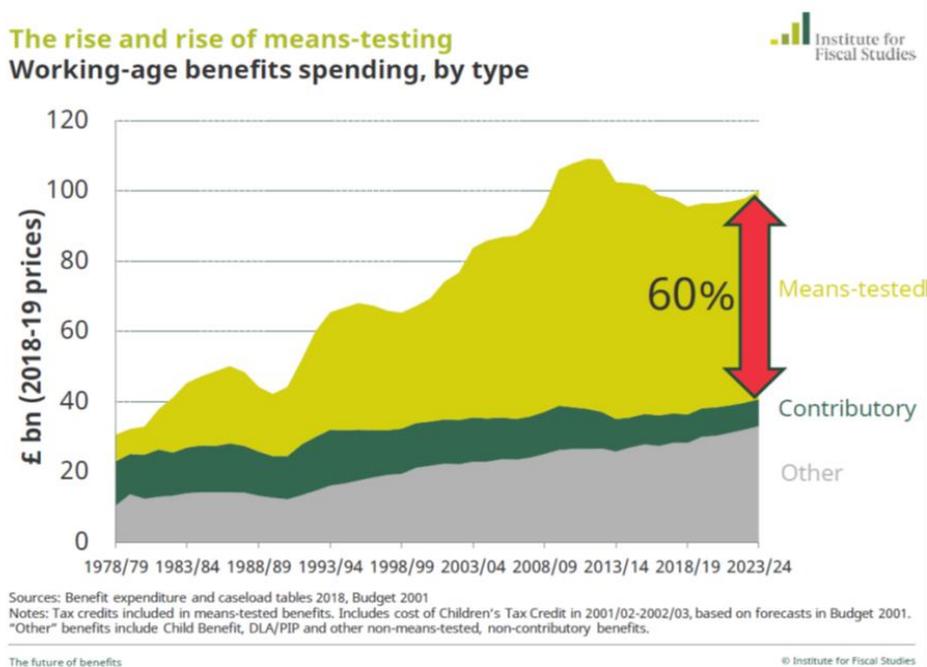
Council tax support also continues as a separate benefit, administered by local authorities. They also administer lump sum payments for emergency/specific needs for those on low incomes; some (e.g. for funeral costs) are still a statutory right and organised nationally, but most were devolved to the smaller nations and councils, and are discretionary, means-tested, and sparse. Local authorities also administer ‘discretionary housing payments’, to help to compensate losers from recent benefit cuts, in particular help with housing costs.

- **Benefits in kind for some groups on low incomes and others**
 - some groups of people, and those on certain benefits, can get exemption from certain health costs; children in some low-income families can get free school meals, healthy foods/milk vouchers (etc.). ‘Passported benefits’ involve being on another benefit to qualify.

Table A in Appendix 2 sets out the major elements of the social security system in the UK.

Benefits and tax credits spending is £225bn each year in Britain - about 10 per cent of GDP, or roughly a quarter of state spending.³⁴ Responsibility for benefits and tax credits (leaving aside devolution) is split between the **Department for Work and Pensions (DWP)** (most benefits) and **HM Revenue and Customs (HMRC)** (child benefit and tax credits). The DWP paid out £182.5bn in 2018/19 in benefits,³⁵ and HMRC paid out £40.1bn in benefits and tax credits.³⁶ But with the advent of universal credit, the DWP is taking over responsibility for most major benefits – although council tax support will still be delivered by local authorities.

Figure 1 Spending on Working Age Benefits by type



³⁴ Gardiner, L. (2019) *The Shifting Shape of Social Security*, London: Resolution Foundation: <https://www.resolutionfoundation.org/publications/the-shifting-shape-of-social-security/>

³⁵ DWP (2019), *Annual Report & Accounts 2018-19*, HC 2281: assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/812722/dwp-annual-report-and-accounts-2018-2019.pdf

³⁶ HMRC (2019), *Annual Report & Accounts 2018-19*, HC 2394: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/824652/HMRC_Annual_Report_and_Accounts_2018-19_web_.pdf. Tax credits are a form of means-tested benefits unrelated to the income tax system.

For those below pension age, the policy emphasis in the UK's system is firmly on means testing (see Figure 1 above).³⁷ Many benefits are not generous, especially in relation to previous earnings for the better paid. The UK's social security system focuses largely on meeting household need now, rather than on maintaining an individual's living standard through their life-course, or on guaranteeing benefits as a right for all.³⁸ And many claimants on the receiving end feel the current system works against rather than for them. This is in part due to recent trends.

3.3 Key trends and the UK system compared

Governance

In recent years the operation of parts of the social security system has been devolved, in particular in Scotland, and this is continuing. See **Appendix 3** for more information. Some discretionary, last-resort help has also been devolved to local authorities in England.

More focus on 'new social risks'

A key focus of the right to social security outlined in 1948 was on interruptions to, or the end of, employment³⁹ ('old social risks'). But there has been increasing concern about so-called 'new social risks', including in-work poverty; single parenthood; and the tensions between paid work and family life, heightened by the increasing number of women in employment. All these emerging issues for social security provision have gender and care at their heart.⁴⁰

Changes in spending

Some £120bn per year is spent on pensioner benefits.⁴¹ We do not examine this in detail here as pensions are discussed elsewhere.⁴² Some £100bn is spent on benefits for non-pensioners (roughly 1/8 of government spending). Expenditure can change due to economic or demographic factors, and changing take-up rates, as well as policy decisions (in benefits, or in other areas, with knock-on effects).⁴³

Unless policy changes, the decade to 2023-24 is forecast to be the longest continuous period of decline in social security spending since World War II. *'This reflects economic improvement to some extent, but also an austerity-driven decision to reduce spending, from which one particular group – pensioners – has largely been spared.'*⁴⁴ Cuts to social security benefits and tax credits were a key

³⁷ See *Welfare Trends Reports*, from the Office for Budget Responsibility (OBR) for useful information - especially the first, analysing historical trends in welfare spending (Oct 2014): <https://obr.uk/wtr/welfare-trends-report-october-2014/> and the second, examining international comparisons of social protection (July 2015): https://obr.uk/docs/dlm_uploads/Executive_summary_Welfare_trends_2015.pdf. The third gave an overview of spending from 2010/11 to 2020/21 (Oct 2016): <https://obr.uk/wtr/welfare-trends-report-october-2016/>. Subsequent reports have tended to concentrate on more specific topics.

³⁸ Bennett, F. (2018) 'Gender and social security', in J. Millar & R. Sainsbury (eds.) *Understanding Social Security*, 3rd edn., Bristol: Policy Press, pp. 99-117

³⁹ Beveridge, W. (1942) *Social Insurance and Allied Services*, Cmd 6404, HMSO

⁴⁰ See Bennett, F. (2017) 'The developed world', in International Social Security Association, *Megatrends and Social Security: Family and gender*, ISSA, pp. 10-26: <https://www.issa.int/en/resources/megatrends>

⁴¹ Joyce, R. for BBC News 29.3.19, unless indicated: <https://www.bbc.co.uk/news/business-47623277>

⁴² See Lowe, J. (2020), *Pensions and Gender Equality* (parallel paper on pensions)

⁴³ OBR (2018), *Guide to Welfare Spending*, London: OBR, pp. 7-8: <https://obr.uk/forecasts-in-depth/brief-guides-and-explainers/an-obr-guide-to-welfare-spending/>

⁴⁴ Gardiner, L. (2019) *The Shifting Shape of Social Security*, London: Resolution Foundation, p. 27: <https://www.resolutionfoundation.org/publications/the-shifting-shape-of-social-security/>

part of the coalition and Conservative governments' austerity programmes after 2010.

Decline of contributory benefits

A contributory basis for benefits was clear in Beveridge's report.⁴⁵ But, unlike in continental Europe, earnings relation (benefits proportional to earnings, with minima and maxima) was never a central part of the system, and now contributory benefits, including the new pension, are flat rate (the same amount for all who qualify). Over the years, it has been made more difficult to qualify for non-means-tested benefits, especially for those with part-time employment and/or incomplete contribution records. Changes have included tightening contribution conditions and behavioural conditionality, the abolition of some benefits and dependants' additions, and cuts in survivors' benefits – a pincer movement in which women are more likely to be caught, as they were often affected most by all these measures. As employment has become more 'flexible', the contributory system has become less so.

Individualisation of non-means-tested benefits

Benefits given with no means test have become increasingly individualised, in the sense that additions for spouses/civil partners have been abolished. It is true that more women are earning benefits in their own right now, through increased participation in employment; but individualisation may still result in insufficient recognition of caring responsibilities and thus maintain disadvantage in the benefits system if not addressed.⁴⁶

Conditions for benefits tightened

The UK, like other OECD countries, has increased 'activation' since the mid-1990s, with a focus on getting into paid work. Conditionality has been ratcheted up and its scope expanded, to include parents and those with health conditions.⁴⁷ In the past few years this became more punitive, with sanctions increasing in length and number.⁴⁸ Assessment for incapacity for work and for disability-related costs has become tighter, with a specific government target for savings on cost-related benefits; although this did not materialise in practice, it was a particularly retrograde goal. Disabled people have also suffered disproportionately from the cumulative impact of recent benefit cuts.⁴⁹ Lone parents, followed by the 'main carer' in couples with children, have increasingly had to fulfil conditions in terms of actively seeking work, or preparing for work, once their youngest child reaches a certain age, with that age steadily being lowered over time. Under universal credit, 'easements' for parents to take account of their caring responsibilities have been made discretionary rather than being available as a right.

⁴⁵ Beveridge, W. (1942) *Social Insurance and Allied Services*, Cmd 6404, HMSO

⁴⁶ Lewis, J. & Bennett, F. (2004) 'Introduction' to themed issue on gender and individualisation, *Social Policy and Society* 3(1), pp. 43-45

⁴⁷ Griggs, J. and Bennett, F. (2009) 'Rights and Responsibilities in the Social Security System', *Occasional Paper 6*, London: Social Security Advisory Committee: https://ora.ox.ac.uk/objects/uuid:12063d13-c329-4bdc-9cb9-14933795179f/download_file?file_format=pdf&safe_filename=ssac_occasional_paper_6.pdf&type_of_work=General+item

⁴⁸ See quarterly briefings on sanctions by David Webster, and Webster, D. (2019) 'Benefit sanctions, social citizenship and the economy', *Local Economy* 34(3) – though the maximum sanction has now been reduced and the numbers of people being sanctioned have decreased

⁴⁹ Disability Benefits Consortium (2019) *Have Welfare Benefits Become Unfair?:* <https://disabilitybenefitsconsortium.wordpress.com/2019/07/16/has-welfare-become-unfair-a-new-report-by-the-disability-benefit-consortium/>

Increased emphasis on means testing

The relationship between expenditure on different kinds of benefits is changing.⁵⁰ In recent years, however, the long-term trend towards a higher proportion of expenditure on means-tested benefits has been less clear-cut, due to increased spending on (contributory) pensions for demographic and policy reasons,⁵¹ more spending on disability benefits (several not means-tested), and the cuts in means-tested benefits. But in policy terms, the policy focus of social security is shifting even further towards means testing, in particular with the introduction of the ‘super means-tested benefit’, universal credit (UC).⁵² UC was initially intended to reduce poverty by simplifying benefits to promote higher take-up and incentivising entry into employment and moves to improved earnings. But it has been affected by cuts (some mitigated later), and has had a problematic roll-out since 2013, in part due to delivery problems but also because of design features.⁵³

Gender and the social security system

Data on benefit receipt in **Table B (Appendix 2)** show⁵⁴ more women than men likely to get certain benefits – especially related to caring, longer life expectancy and poverty. More than twice as many women as men receive carer’s allowance. More men claim contributory out-of-work benefits.⁵⁵ More income support claimants are women especially because most lone parents are women. More women claim bereavement allowance, attendance allowance (a disability benefit for older people) and state pension, in part because women tend to outlive men. Although not shown here, child benefit is paid to the mother by default, so largely to women. **Table C (Appendix 2)** shows far more lone mothers than lone fathers claim child tax credit by itself or with working tax credit. In about 80% of families on child tax credit with an earner, it is paid to women. (Universal credit had not been rolled out long enough to include many families.). Table 6 shows the benefits with the highest proportion of women claimants.

Table 6 Proportions of women claiming certain benefits/tax credits:⁵⁶

Benefit / tax credit	% of recipients who are women
Working Tax Credit (WTC) childcare element	95% of nominated main carers
Child Tax Credit (CTC)	87% of nominated main carers
Child Benefit	87% of recipients
Carer’s Allowance	73% of recipients
Attendance Allowance	64% of recipients

⁵⁰ <https://www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-2019> – see ‘Outturn and forecast: Spring Statement 2019’ (excel spreadsheet), ‘benefit summary table’.

⁵¹ See Resolution Foundation report cited above

⁵² Lister, R. (2019) *Seeking Security in an Insecure World*, Child Poverty Action Group: https://cpag.org.uk/sites/default/files/files/policypost/Seeking%20security%20in%20an%20increasingly%20insecure%20world_0.pdf

⁵³ Millar, J. & Bennett, F. (2017) ‘Universal credit: assumptions, contradictions and virtual reality’ *Social Policy & Society* 16(2), pp 169-182

⁵⁴ Data in Tables 1 & 2 from Bennett, F. (2018) ‘Gender and social security’ in Jane Millar & Roy Sainsbury (eds.) *Understanding Social Security*, 3rd edn., Bristol: Policy Press: 99-117; research by Cathy Wells & Rita Griffiths.

⁵⁵ Not shown in these tables; but see Bennett, F. & Sutherland, H. (2011) ‘The importance of independent income: understanding the role of non-means-tested earnings replacement benefits’, *ISER Working Paper Series 2011-09*, University of Essex: https://www.iser.essex.ac.uk/files/iser_working_papers/2011-09.pdf

⁵⁶ FOIs 2019: HMRC FOI2018/02230; HMRC FOI2018/02230; StatExplore (in evidence on social security to Commission from Marilyn Howard, January 2020)

The UK benefits system compared

Cross-country comparison of benefits is complex.⁵⁷ The UK has less generous benefits in relation to the OECD average.⁵⁸ Benefits for children are relatively generous.⁵⁹ But the contributory benefits system is less developed and there is more emphasis on means testing for those under pension age than in other rich countries.⁶⁰ Unemployment provision is comparatively very low.⁶¹ Maternity/paternity leave is long but amounts are less generous.⁶²

3.5 Key criteria for a gender equal system

We set out shared criteria for a gender equal system of tax and social security earlier in this paper. In addition, in judging proposals for change in the social security system specifically, **the immediate impact on a household's resources as a whole should not be the only criterion used.** The implications of any reforms should also be considered from the perspective of **the outcomes for the individual members of the household over their life-course.**

Proposed reforms to policies should therefore be assessed not just by comparing the number of women and men affected by benefits/tax credit changes, and calculating the resources gained or lost by women and men from such changes, but also by:

- examining the make-up and labelling of any **resources** resulting from the reforms for women and men, and the **impact** of these on gender roles and relationships; and by
- considering the impact on the degree of **autonomy** enjoyed by women and men and on **gender inequalities** within and outside the household, both at the point of any change and over the life-course.⁶³

3.6 Key issues and questions from a gender perspective

Women tend to rely more on social security, due to lower incomes, longer lives and greater caring responsibilities. Women also often act as 'conduits' for benefits for others (e.g. children). In addition, the erosion of, and tighter conditions for, non-means-tested benefits has meant that for many

⁵⁷ Gaffney, D. (2015) *Welfare States: How generous are British benefits compared with other rich nations?*, TUC: https://www.tuc.org.uk/sites/default/files/Welfare_States_Touchstone_Extra_2015_AW_Rev.pdf

⁵⁸ Gardiner, L. (2019) *The Shifting Shape of Social Security*, London: Resolution Foundation, Fig. 5, p. 12: <https://www.resolutionfoundation.org/publications/the-shifting-shape-of-social-security/>. The author notes that this leaves out of account social protection in kind (including healthcare) and private pensions

⁵⁹ Bradshaw, J. (2020) *Child Poverty & Child Benefits in Europe*, for Child Poverty Action Group: <https://cpag.org.uk/policy-and-campaigns/briefing/child-poverty-and-child-benefits-europe>

⁶⁰ E.g. Gaffney, D. (2015) *Welfare States: How generous are British benefits compared with other rich nations?*, TUC: https://www.tuc.org.uk/sites/default/files/Welfare_States_Touchstone_Extra_2015_AW_Rev.pdf

⁶¹ Gaffney, D. (2015) *Welfare States: How generous are British benefits compared with other rich nations?*, TUC: https://www.tuc.org.uk/sites/default/files/Welfare_States_Touchstone_Extra_2015_AW_Rev.pdf

⁶² Koslowski, A. *et al.* (2019) *15th International Review of Leave Policies & Related Research*, International Network on Leave Policies & Research (UK report by O'Brien, M. *et al.*, pp 482-497): https://www.leavenetwork.org/fileadmin/user_upload/k_leavenetwork/annual_reviews/2019/2._2019_Compiled_Report_2019_0824-.pdf

⁶³ Adapted from Veitch, J. with Bennett, F. (2010) *A Gender Perspective on '21st Century Welfare Reform'*, Oxford: Oxfam GB: <https://policy-practice.oxfam.org.uk/publications/a-gender-perspective-on-21st-century-welfare-reform-118087>, drawing on Daly, M. and Rake, K. (2003), *Gender and the Welfare State*, Oxford: Polity Marketing.

women out of work, receipt of an independent income from any such benefits is harder to achieve.⁶⁴ Part-time benefit is no longer available.

Women and men are situated differently in relation to elements of the benefits system:

- **contributory benefits replacing earnings** (e.g. contributory jobseeker's allowance) tend to follow a male norm in terms of assumptions about employment, and to reflect market inequalities, disadvantaging women. But they are individually based and, as women's employment grows, they will become more important for women. They are said to give people a stake in the system and make it more likely they will defend it. And these benefits fit well with moves towards more individualisation and with recent governments' focus on employment and reciprocity between state and citizen;
- **non-contributory non-means-tested benefits replacing earnings** (e.g. carer's allowance) are also individual, but usually even lower than contributory equivalents;⁶⁵
- **non-contributory benefits to meet costs** (e.g. child benefit / disability benefits) are often important to women, including those paid to mothers/main carers who are more likely to be responsible for spending on children, especially in low-income families;
- **means-tested benefits** for couples depend on the presence, actions and resources of a partner. So they can affect decisions about partnering and earning, with long-run consequences. Even if each partner is paid part of a means-tested benefit, this is not an independent income (though it may still be helpful). Means-tested benefits for couples are less than twice the individual amount (the 'couple penalty').⁶⁶ But for single parents it may be the operation of the means test itself that results in them continuing to live alone, as they could lose their access to benefit in their own right by living together with a partner.⁶⁷ Employment disincentives are often created for 'second earners' in couples by the first earner using up any joint income allowance. This can effectively undermine some of the advantages of independent taxation (see under taxation) for such couples.

The questions below are amongst those that arise when considering social security from a gender perspective:

- How do we move towards individual benefit rights whilst not disadvantaging those who have been affected long term by the gendered division of labour?
- How might we guarantee an independent income and value caring more, whilst also avoiding the solidification of the gendered division of labour?
- With employment more precarious, does a benefit paid in and out of work make more sense than benefits for those out of work? And if so, with what gender implications, if any?

⁶⁴ Bennett, F. and Sutherland, H. (2011) 'The importance of independent income: understanding the role of non-means-tested earnings replacement benefits', *ISER Working Paper Series 2011-09*, University of Essex: https://www.iser.essex.ac.uk/files/iser_working_papers/2011-09.pdf

⁶⁵ Though Scotland has decided to increase carer's allowance to the same amount as jobseeker's allowance

⁶⁶ Adam, S. & Brewer, M. (2010) *Couple Penalties & Premiums in the UK Tax & Benefit System*, Institute for Fiscal Studies: <https://www.ifs.org.uk/publications/4856>

⁶⁷ Griffiths, R. (2017) 'No love on the dole: the influence of the UK means-tested welfare system on partnering and family structure', *Journal of Social Policy* 46(3), pp 543-561: <https://www.cambridge.org/core/journals/journal-of-social-policy/article/no-love-on-the-dole-the-influence-of-the-uk-meanstested-welfare-system-on-partnering-and-family-structure/2F239C7174C8CC56F3CDC10A9FA6004C>

- What kind of benefits system is best suited to the growing numbers of self-employed workers, of whom many (especially those on lower incomes) are women?⁶⁸
- With families becoming more fluid, should rights to benefits be based on individuals? If so, how do we deal with shared household costs (e.g. housing and children)?
- If we aim to share caring more fairly, what should happen to benefits paid to mothers, that may suggest the care is their responsibility alone? Should couples have to nominate one partner as the 'main carer'?
- How does/should conditionality (if any) take account of caring responsibilities?
- How do we ensure that people feel they have a stake in the benefits system, whilst ensuring that benefits are inclusive of those who find it harder to pay in as much?
- Should means-tested benefits retain a role within the social security system, and if so, how should they be claimed by and paid to couples?
- How should benefit rights be dealt with post-Brexit for those without settlement or citizenship rights? This can often be particularly hard for women, who may not be able to 'earn' rights to benefits through employment if they are caring.⁶⁹

3.7 Recent proposals for reform

Current UK debates include some radical proposals which would take the benefits system in very different directions, as outlined in the table below, with their gender implications. But in practice, in the current situation, there may instead be a continuing emphasis on **conditionality, means testing (with joint assessment for couples) and low benefit levels**.

Create a negative income tax⁷⁰

Proposal	In practice	Aims	Issues
Merge benefits and tax on means-tested basis	All benefits to be means-tested & withdrawn against income; minimum wage abolished	Liberal (usually unconditional) & pro-market	Means testing based on couple & no independent income; no floor for earnings for low paid (mostly women)

⁶⁸ Bennett, F. (2019) 'Social protection for the self-employed in the UK: the disappearing contributions increase', *Journal of Poverty & Social Justice* 27(2): 235–251

⁶⁹ E.g. see Shutes, I. (2016) 'Work-related conditionality and the access to social benefits of national citizens, EU and non-EU citizens', *Journal of Social Policy* 45(4), pp. 691-707

⁷⁰ E.g. Adam Smith Institute: <https://www.adamsmith.org/policy>; *The NeoLiberal Manifesto* (ASI, 2019), pp. 44-47; Story, M. (2015) *Free Market Welfare: The case for a Negative Income Tax*, ASI: <https://www.adamsmith.org/research/free-market-welfare-the-case-for-a-negative-income-tax>; and proposals for ending contributory benefits by Centre for Social Justice (2017): https://www.legalandgeneralgroup.com/media/1081/fluid_intelligence_report.pdf

Introduce a universal basic income (or partial basic income)⁷¹

Proposal	In practice	Aims	Issues
Introduce universal basic income (UBI)	Individual non-means-tested non-taxable unconditional benefit (usually based on residence)	Less means testing and less conditionality, simplification	All get own income; but not valuing care (as all get it) & may result in labour market exit by women?
Introduce partial basic income (PBI)	See above - but not enough to live on by itself	See above - but much of current benefits system would remain	See above

Privatised provision for risks⁷²

Proposal	In practice	Aims	Issues
Private provision for employment/ other risks by employers/ insurance companies.	Imitation of auto enrolment but for sickness etc. + mutuals for gig economy	Privatised solutions provide more flexibility and choice; and profits for providers	Limited risk pool, limited/no redistribution to low earners &/or carers; may not cover everyone.

Reform and rejuvenate contributory benefits⁷³

Proposal	In practice	Aims	Issues
Make NI system a bigger part of the UK benefits system, incl. more earnings relation	E.g. lengthen payment periods for JSA + ESA (WRAG) and have more earnings-related benefits	Reduce reliance on means-tested benefits; retain average/higher earners within state system	Could be seen as paying more to those who don't need it
Make NI system more inclusive for modern labour market	E.g. make contribution conditions easier to meet; extend use of credits; &/or qualify via low earnings	Include more women/insecure workers in NI system; make NI system more redistributive	Could be seen as 'something for nothing', diluting NI

Notes: NI = National Insurance; JSA = Jobseeker's Allowance; ESA = Employment and Support Allowance; WRAG = Work Related Activity Group

⁷¹ For more see Sharples, M. (2020). Basic income and gender equality (parallel policy paper on basic income). E.g. see Compass (Lansley, S. & Reed, H. (2019) *Basic Income for All: From desirability to feasibility*: https://www.compassonline.org.uk/wp-content/uploads/2019/03/Compass_BasicIncomeForAll_2019.pdf; New Economics Foundation: Stirling, A. *et al.* (2019) *A Radically Different Social Security System*: <https://neweconomics.org/2019/11/a-radically-different-social-security-system>; for critique, see e.g. IPPR

4 Making the case

Widespread public support and clear political will are both required if we are to build a tax/benefit system that succeeds in creating greater gender equality in a substantive and sustainable form. This will only be achieved if the case for more progressive taxation at meaningful levels, and a more all-encompassing social security system than the current pared-down version, is promoted and accepted.

This requires the case to be made that:

- Much of what is necessary for everyone to flourish and thrive can only be provided, or is better provided, collectively rather than privately, via benefits and services;
- To achieve this, we need to contribute to funding that provision. It may help to make explicit the connections between tax and the social expenditure it pays for. Having hypothecated taxes is one way to do that⁷⁴, though there are also dangers in tying funds to a particular use over the long term;
- We all benefit by having a social security system that pools risks, and shares costs to support people over the life-course; we may all need such a system in our lifetimes, so its recipients should not be seen as not a separate class of welfare dependants;
- A public system can ensure that all risks are covered, unlike private sector financial services, promoted as an alternative to social security. Private insurers can pick and choose the most profitable clients, but a public system will insure everyone and can have rules and goals that differ from generating maximum profits. For example, it can tilt payments more towards those who have fewer chances and/or lower incomes, and ensure that those who contribute to society by engaging in unpaid care are protected;
- Spending on social security is an investment in the future well-being of the population because it has long-term benefits for people and the economy. For example, children brought up in poverty have inferior health, social and economic outcomes all their lives. In considering the net costs of having a good social security system, such long-term benefits should be taken into account;
- Taxation is a means by which everyone fairly contributes according to their means. It is important for this that the rich should be seen to contribute their fair share, but they should not be the only ones who should pay. Taxpayers should also not be seen as a separate class of people and everyone should feel that they contribute to the costs of collective provision;

Scotland: <https://www.ippr.org/blog/a-universal-basic-income-may-not-be-an-answer-to-tackling-poverty-in-scotland>; for academic analysis, see <https://www.bath.ac.uk/publications/assessing-the-case-for-a-universal-basic-income-in-the-uk/attachments/basic-income-policy-brief.pdf>

⁷² E.g. see <https://www.theguardian.com/politics/2015/jul/13/david-cameron-open-to-workers-saving-up-fund-own-sick-pay>; Insurance industry working group (2009), *Vision for the Insurance Industry in 2020*, HM Treasury: <https://www.cii.co.uk/learning-index/articles/policy-briefing-insurance-industry-working-group-vision-for-the-insurance-industry-in-2020/13802#>; Legal and General (2017): https://www.legalandgeneralgroup.com/media/1081/fluid_intelligence_report.pdf

⁷³ E.g. see Fabian Society (2019) *Where Next? Reforming social security over the next 10 years*: <https://fabians.org.uk/publication/where-next/>; & Bell, K. & Gaffney, D. (2012) *Making a Contribution: Social security for the future*, TUC: https://www.tuc.org.uk/sites/default/files/contributory_benefits.pdf

⁷⁴ The Commission on Tax and Citizenship (2000), *Paying for Progress: A new politics of tax for public spending*, Fabian Society

- Women and others who contribute through unpaid care and have lower incomes will benefit from a progressive tax system raising sufficient revenue to support a generous social security system.

5 Our Proposals

With the focus of the UK's social security system largely on meeting household need in the present, and policy makers' determination not to be seen to increase taxes, it can be challenging to bring gender issues to the fore. Debates often centre on the household rather than on (gendered) individuals, and on the situation at one point in time rather than on longer-term impacts. We would recommend as a general principle that the social security and taxation systems should be designed, in conjunction with other policies, **to help reduce inequalities not only between households, but also between individuals within households, and between different groups in society**, including in relation to ethnic origin, disability and age-based inequality in addition to gender. The social security and taxation systems should be designed to help **eliminate such inequalities in the long run, while at the same time recognising the unequal positions in which people currently find themselves**. It is in this spirit that we make the following proposals:

Reforms to the tax and social security systems to promote financial autonomy and agency for women and men, and reduce the gender income and employment gaps:

- ***Reintroduce genuine independent taxation of income, by:***
 - abolishing the marriage allowance
 - abolishing the high-income child benefit tax charge.
- ***Make the tax system contribute more to reducing income inequalities by:***
 - raising additional revenue to fund additional spending on social security
 - while recognising that the net cost of such spending is lower than its gross cost
 - and that elements of it that are an investment in future well-being can be financed out of borrowing
 - raising the proportion of tax raised by income taxes
 - taking income tax and NICs together, reform their structure by:
 - lowering all thresholds - this would have to be done gradually – e.g. by abandoning indexation for personal income tax thresholds
 - introducing lower starter tax rates
 - raising tax rates on higher incomes (in income tax *and/or* removing the upper earnings limit in NICs)
 - introducing more bands or, more radically, a system of gradual adjustment of tax rates to remove the fixation on specific parameters that makes change difficult
 - if taxes are to be reduced, reduce VAT rates or exempt more necessities, rather than making cuts to income tax, the fairest tax we have.
- ***Consider abolishing the personal tax allowance to fund a small cash payment to all adults:***⁷⁵
 - creating effectively a partial basic income (PBI), paid without conditions to all resident adults in and out of work -

⁷⁵ See, for example, recent suggestions by Institute for Public Policy Research, New Economics Foundation and Fabian Society

- which would not replace the need for benefits in addition, whose level and structure would still need to be considered carefully.⁷⁶
- **Replace other allowances against personal income tax by:**
 - converting those designed to encourage desirable behaviour into either non-means-tested benefits or directly provided services available to all who qualify, independent of their income tax status;
 - this includes the tax relief on pension contributions that loses revenue that would benefit women more if spent on increasing the state pension;⁷⁷
 - childcare provision would help women more than so called “tax-free” child care (though the latter is not really a tax allowance, but a subsidy)
 - making any remaining allowances only at basic tax rates; expenditure on their retention and level should be subject to the same scrutiny as direct expenditure.
- **Take further measures to improve revenue collection by:**
 - reducing the range of allowances and reliefs in all forms of tax to reduce revenue loss and scope for tax avoidance
 - abolishing as many tax allowances and reliefs as possible
 - ensuring that income from all sources is taxed similarly, by taxing income from dividends and savings at the same rate as income from employment
 - removing any additional allowances for the former and⁷⁸
 - *either* charging employee National Insurance contributions on all types of income and on everyone, including those over 65,⁷⁹ *or* introducing a supplementary tax of equivalent amount payable on unearned income.
- **Improve and extend individual non-means-tested benefits to replace means-tested benefits wherever possible:**
 - access to non-means-tested benefits should be made easier and amounts should be improved, with priorities including:
 - increasing the amount of jobseeker’s allowance and employment and support allowance (ESA);
 - extending the time for which ESA is paid to those who are expected to return to work at some point in future;
 - improved payments should be available for all reasonable times out of employment, including not just unemployment and sickness but also care leave as well as maternity/paternity/parental leave (see also below);
 - enabling more part-time and temporary workers to qualify for non-means-tested benefits for sickness and unemployment.
- **Introduce reforms to allow more autonomy within remaining means-tested benefits:**
 - full individualisation of means-tested benefits is not likely, so to give some autonomy within their structure:

⁷⁶ See Sharples, M. (2020). Basic income and gender equality (parallel policy paper on basic income)

⁷⁷ See Lowe, J. (2020), Pensions and Gender Equality (parallel paper on pensions)

⁷⁸ See Palmer, R. (2020). Wealth, tax and gender. Tax Justice UK, policy paper for the Commission on a Gender-Equal Economy

⁷⁹ Under current legislation any additional revenue from this would need to be spent on improving National Insurance benefits

- disincentives to ‘second earners’ in couples on universal credit – caused by the first earner using up the income allowance - could be reduced by (for example) giving each person their own allowance, or giving a bonus to couples with two earners;⁸⁰
- separate payments of universal credit for partners in couples, could be introduced; or elements of universal credit (e.g. for children and housing costs) could be separated out from universal credit, so that partners in couples can have different, labelled, payments made paid to them;
- conditions for accessing working age benefits could be made more flexible, so that parents can share caring more equally, and easements are in statute again rather than in guidance;
- as a more fundamental change, partial individualisation, as in Australia, could be introduced, with each partner establishing their own claim to benefit, and some of their partner’s resources being ignored in relation to their claim.

However, **only focusing on enhancing individual** incomes, autonomy and employment possibilities without taking account of the gendered division of unpaid care is likely to result in **greater inequality between the sexes**, because many women are still economically dependent on their partners through taking on caring responsibilities.⁸¹ Some countries implementing reforms started these from a certain age, and/or ‘red-circled’ those with existing benefit rights under the former system, in order to avoid this outcome.⁸²

This issue will not go away until there is better sharing of caring, with which reforms to the social security and taxation can help, but not fully achieve on their own. They can, however, help with sharing the costs of caring more equally.

Reforms to the social security system to reduce the costs to individuals of caring and to share them more equally:

- ***Improve benefits to meet the additional costs of caring for children and disability:***
 - such benefits should be non-means-tested as far as possible (like all benefits for additional costs), and paid at a more adequate level
 - otherwise those caring for children or disabled people (often women) will be most likely to go without instead
 - in particular, child benefit should:
 - be increased (at least restored to its real value before recent austerity cuts);
 - continue to be paid to the mother by default, recognising that mothers still generally take charge of spending on children, but this should be reconsidered for both separated and intact couples if caring becomes shared more equally;
 - should be reformed to become a contribution that the state makes to all children, by abolishing the high income child benefit tax charge (see above);
 - benefits for the costs of disability should continue to be paid to the disabled person; it is important that both the disabled person and the carer have their own sources of income.

⁸⁰ Disincentives for lone parents in universal credit should also be reduced

⁸¹ Lewis, J. and Bennett, F. (2004) ‘Introduction’ to themed issue on gender and individualisation, *Social Policy and Society* 3(01), pp 43-45

⁸² For examples, see Bennett, F. (2017) ‘The developed world’, in ISSA, *Megatrends and Social Security: Family and gender*, Geneva: ISSA: <https://www.issa.int/en/resources/megatrends>

- **Improve caring credits for qualifying for benefits:**
 - change the contribution conditions for short-term earnings replacement benefits, to ensure those who have been at home caring for children following maternity leave do not have to wait an excessive length of time to qualify;
 - more far-reaching proposals would count caring for children (and potentially volunteering) towards such benefits – but these are still earnings replacement benefits, so would require someone to have had earnings to qualify;
 - if more people without a regular record of NI contributions could be eligible, this could be an argument for a higher Treasury contribution to the NI Fund.

Reforms to promote the sharing of paid and unpaid work more fairly between the sexes, and between parents/carers and society:

- **By improving support for exceptional periods of caring responsibilities through maternity/paternity/adoption and parental leave, and leave for caring for disabled/elderly people, in terms of both generosity and structure,⁸³**
 - pay should be higher for all such leaves, with longer periods earnings-related (for fathers as well as mothers);
 - qualifying periods for such leave should be abolished, with all payments available from the start of employment;
 - part of parental leave should be reserved for fathers/partners on a ‘use it or lose it’ basis, whilst ensuring that this is also fair to lone parents;
 - parental leave beyond the post-birth period (which currently exists as a right, but is unpaid) should be paid;
 - short-term paid leave from employment for when arrangements for social care have to be made should be made available on a similar earnings-related basis;
 - the self-employed should be brought into earnings-related provision for maternity/paternity/parental leave and leave for carers on the same basis, rather than only being able to qualify for inferior benefits as now - this would imply that they should pay higher contributions.
- **By improving childcare provision and support for it:**
 - the gap between the end of any well-paid leave and the start of free or more affordable early education/child care should be closed
 - this should happen through supporting childcare provision, rather than through subsidising parents’ costs⁸⁴
- **And providing care for disabled/elderly people, and support for those doing long-term care unpaid:**
 - as with child care, the expansion of high quality publicly provided care, or provision by specialist non-profit providers, will be key;
 - there will need to be adequate funding for social care, via increased taxation and/or the National Insurance system;
 - since social care can be long term, carer’s allowance, an income replacement benefit for those who forego paid employment in order to care, should be made more generous (as in

⁸³ WBG recently signed a joint statement on parental leave with a range of other organisations – link available shortly

⁸⁴ <https://www.leavenetwork.org/>

Scotland, but going further), while ensuring that no-one is forced to care through lack of alternative high-quality provision.

Appendix 1 Analysing the tax and benefit system's distributional gender impacts

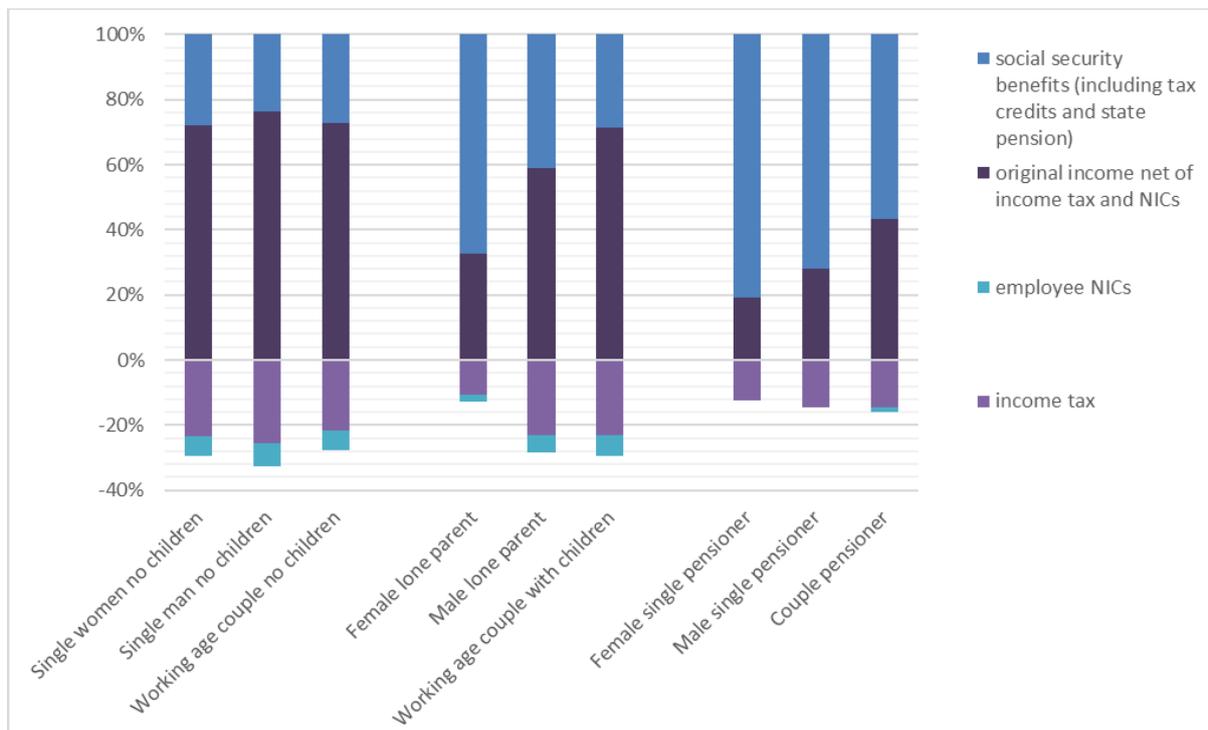
Because of women's greater role in caring, and its consequences for their:

- earnings (generally less than men's)
- receipt of child related and other caring benefits (more often paid to women)
- greater likelihood of being lone parents (90% are women) and
- poverty in old age (also as a result of women's greater longevity)

women receive more of their income in social security and men, who earn more, pay more tax.

Figure 4 (page 7) showed how the social security system closes some of the gap between the richest and poorest households. Figure A, below, shows the proportions of their disposable income (income after direct taxes and benefits) that households of different types receive from their original income, earnings, investment income or non-state pensions (net of direct taxes paid), and from social security benefits. Figure A also shows, below the horizontal axis, how much is paid in those direct taxes, income tax and NICs. It shows how important social security benefits are to all households. Only those without children (and couples with children – just) pay a little more in taxes than they receive in social security benefits. The vast majority of lone parents and single pensioners are female, the two groups with the highest proportion of their income coming from social security. On the other hand, the majority of single people without children are male, the group that receives the lowest proportion of their income from social security. Direct taxes have a similar effect on all types, roughly in proportion to their original incomes, except that pensioner households do not pay NICs.

Figure A: The composition of disposable income by gendered household types

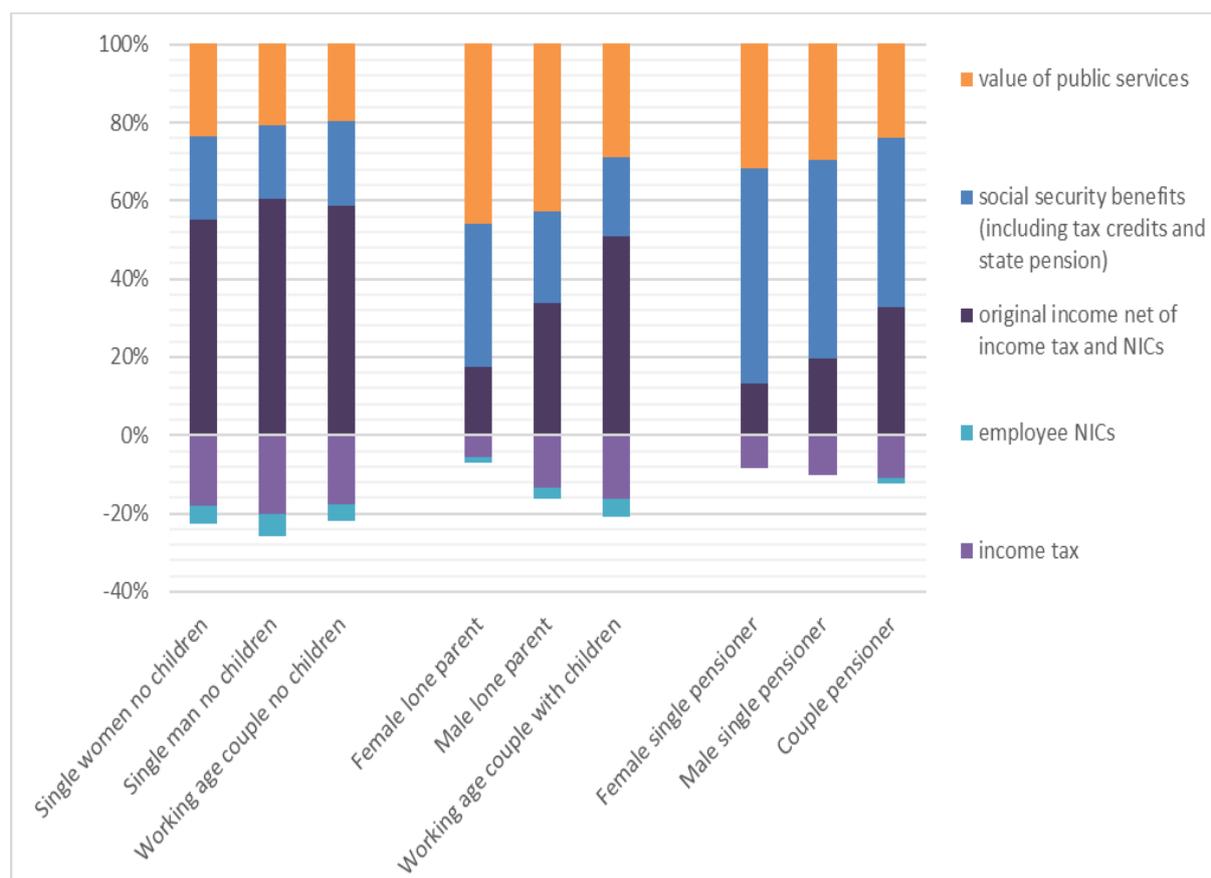


Source: Author's calculations based on analysis by Landman Economics for the Women's Budget Group, tax-benefit system as in 2015

As we saw from Figure 4, the redistributive effects of social security benefits vastly outweigh those of direct taxes, and those of the indirect taxes are regressive. As a result, the most important contribution to distributional gender equality that the tax system makes is through the revenue it provides to fund social security spending.

This is even clearer when spending on public services, the "social wage", is taken into account. Figure B shows how the average standard of living or "final income" of households depends on the value of public services, as well their original income (net of income tax and NICs paid) and social security benefits (including the state pension).

Figure B: The components of household “standard of living” by gendered household types



Source: Author’s calculations based on analysis by Landman Economics for the Women’s Budget Group

Public services are particularly important for families with children, and pensioners (though not as much as the social security system for the latter group). All households pay less in taxes⁸⁵ than they receive in the forms of social security benefits or public services. This suggests that a focus on reducing taxes is misplaced for the majority of the population; they would do better from improving spending on social security benefits and public services. For lone parents of both sexes and all pensioners, their original income makes up less than half of their standard of living. This shows that for such households, that the government can raise enough tax to finance a social spending has far more effect on their standard of living than the rate of tax they pay.

The above analysis is by gendered household types. We can also analyse the distributional effects of the direct tax and benefit systems by individuals, as the National Equality Panel has done using techniques developed by the Women’s Budget Group.⁸⁶ Individual incomes are an indication of autonomy, the income that people have in their own right. In general, the direct tax and social security systems operate to reduce the difference in disposable incomes within couples.⁸⁷

⁸⁵ There are other non-household forms of taxation and sources of revenue.

⁸⁶ National Equality Panel (2010) *An anatomy of Economic Inequality in the UK*, CASEReport 60, Government Equalities Office and Centre for Analysis of Social Exclusion, LSE: <https://eprints.lse.ac.uk/28344/1/CASEReport60.pdf>

⁸⁷ Figari, F., Immervoll, H., Levy, H., & Sutherland, H. (2011). Inequalities within couples in Europe: Market incomes and the role of taxes and benefits. *Eastern Economic Journal*, 37(3), 344-366.

The effects of austerity policies

Similar analysis has been done by both the Women's Budget Group and the Equality and Human Rights Commission to show the effects of austerity policies on gendered household types and individuals. Such "cumulative" impact assessment takes all policy changes implemented over a period – often since the change of government in 2010 – and looks at the gains and losses of individuals and households grouped in various ways. Like all such analysis it looks purely at the distributional effects of policy changes; it does not look at changes in original incomes, or the possible effects of policy on these.

Recent governments justified cuts to benefits as deficit reduction. But under the coalition and conservative governments revenue gains from reducing benefits and tax credits have been partly offset by tax cuts.⁸⁸ The analysis above shows why, given that women lose more from social security cuts and men gain more from tax cuts, this transfer had a profoundly gendered impact. In 2017, the House of Commons library calculated that by 2020, 86% of the revenue gains from changes in tax and social security since 2010 would have been paid for by women and just 14% by men.⁸⁹

⁸⁸ <https://www.trustforlondon.org.uk/publications/were-we-really-all-it-together-distributional-effects-uk-coalition-governments-tax-benefit-policy-changes/>

⁸⁹ <http://researchbriefings.files.parliament.uk/documents/SN06758/SN06758.pdf>

Appendix 2- Major social security benefits and receipt by gender

Table A: Major social security benefits in UK

Benefits	Function	Entitlement	Unit	Amount/other
New style JSA & ESA, MA	Earnings replacement	Contributory (incl. credits); MA if earning £30/wk & can be self-emp'ed	individual	Flat rate
SSP	Earnings replacement	Earnings at least at LEL	individual	Flat rate, up to 26 weeks, from employer
SMP/SPP/SSPP	Earnings replacement	Earnings at least at LEL	individual – woman must take minimum SMP period	90% earnings x 6 wks + lower of 90% or flat rate to 39 wks total
CA	Earnings replacement	Non-contributory	individual	Flat rate (higher in Scotland)
DLA/PIP; AA for older people	For additional costs (disability)	Non-contributory	individual	Flat rate (different rates)
CB	For additional costs (children)	Non-contributory – but HICBTC; paid by HMRC	individual – but HICBTC	Flat rate (higher rate 1 st child); paid to mother by default
I-B JSA, I-R ESA, IS	For those with low/no income, usually out of work	Means-tested	Benefit unit (incl. couple living together)	Varies due to means test (incl. assets)
WTC	For those with low income and earner(s)	Means-tested; paid by HMRC	Benefit unit (incl. couple living together)	Varies; paid to main earner usually
CTC	For additional costs (children) for those with low/no income	Means-tested; paid by HMRC to those in/out of paid work	Benefit unit (incl. couple living together)	Varies; paid to main carer usually
Council tax support	Help with local tax for those with low/no income	Means-tested; paid by local authorities	Benefit unit (incl. couple living together)	Varies
UC	For those with low/no income in/out of work	Means-tested; replacing 6 MTed benefits & tax credits	Benefit unit (incl. couple living together)	Varies; paid to one account usually
Benefits in kind	Help with/ exemption from essential items (esp. health)	May be 'passported' - if on certain MTed benefits	Benefit unit (incl. couple living together) as MTed linked	Varies

Notes: JSA = Jobseeker’s Allowance (I-B = Income-Based); ESA = Employment and Support Allowance (I-R = Income-Related); MA = Maternity Allowance; SSP = Statutory Sick Pay; LEL = Lower Earnings Limit; SMP = Statutory Maternity Pay; SPP = Statutory Paternity Pay; SSPP = Statutory Shared Parental Pay; CA = Carer’s Allowance; DLA = Disability Living Allowance; PIP = Personal Independence Payment; AA = Attendance Allowance; CB = Child Benefit; HICBTC = Higher Income Child Benefit Tax Charge; IS = Income Support; WTC = Working Tax Credit; CTC = Child Tax Credit; UC = Universal Credit; MTed = means-tested. (Partners can share MA/SMP after 2 weeks, as ‘statutory shared parental pay’.)

Table B: Benefits receipt by gender, 2017⁹⁰

Benefit ⁽¹⁾	Women	%	Men	%	Total ⁽²⁾
Carer's Allowance ⁽³⁾	826,340	68	393,360	32	1,219,710
Employment and Support Allowance	1,137,910	48	1,241,090	52	2,378,990
Incapacity Benefit	28,390	60	19,290	40	47,680
Jobseeker's Allowance	189,490	39	295,400	61	484,880
Income Support	506,550	82	107,770	18	614,320
Bereavement Allowance	51,850	74	17,930	26	69,780
Incapacity Benefit/Severe Disablement Allowance	52,040	65	28,320	35	80,360
Disability Living Allowance ⁽⁴⁾	1,170,070	48	1,262,300	52	2,432,370
State Pension	7,229,140	56	5,652,890	44	12,882,040
Attendance Allowance ⁽⁵⁾	1,033,880	65	546,860	35	1,580,740
Pension Credit	1,165,050	63	687,580	37	1,852,630
Widow's Allowance	20,520	100	0	0	20,520
Universal Credit ⁽⁶⁾	264,429	43	345,411	57	609,896
Total	13,704,049	56	10,617,491	44	24,321,596

(1) All data has been sourced from 'DWP benefits statistical summaries. Quarterly benefits summary: August 2017 (supporting data tables)' unless otherwise stated.

(2) Total figures are taken from the DWP official data and may not sum to total due to rounding and unknown or missing data.

(3) This ‘all entitled cases’ figure includes 410,000 claimants who were entitled to Carer's Allowance but were not in receipt of payment, for example, because they were in hospital. These individuals are still officially counted by the DWP as claimants.

(4) As in (3), this figure includes claimants who were entitled to DLA, but were not in receipt of payment.

(5) This figure includes 140,000 claimants who were entitled to Attendance Allowance, but were not in receipt of payment.

(6) Source: ‘Universal Credit statistics: Data tables: Universal Credit, monthly experimental official statistics to 14 September 2017. Table 3.1 People on Universal Credit by month, gender, age, duration, employment, conditionality regime and Jobcentre District, May 2013 to September 2017’.

⁹⁰ Tables B and C from: Bennett, F. (2018) “Gender and social security”, in Jane Millar and Roy Sainsbury (eds.) Understanding Social Security, 3rd edn., Bristol: Policy Press, pp. 99-117; data research by Cathy Wells and Rita Griffiths. These figures will have changed since 2017 because of the continued rollout of Universal Credit.

Table C: Child and Working Tax Credit receipt by gender, 2017

	Women	%	Men	%	Total
Child Tax Credit (CTC) & Working Tax Credit (WTC) ⁽¹⁾					
Single claimants out of work, CTC only	782,700	94	50,900	6	833,600
Single in work, WTC & CTC	972,800	95	48,800	5	1,021,600
Single in work, CTC only	126,900	89	16,100	11	143,000
Single in work, WTC only	166,700	55	138,100	45	304,800
Total single people on tax credits	2,049,100	89	253,900	11	2,303,000
Joint claims by payee, working couples with children ⁽²⁾					
CTC & WTC	534,400	75	180,600	25	715,000
CTC only	556,600	85	96,500	15	653,100
Total working couples with children	1,091,000	80	277,100	20	1,368,100

(1) Source: HMRC 'Child and Working Tax Credit Statistics, April 2017. Table 3.1: Recipient families by ages and gender of adults

(2) Source: HMRC 'Child and Working Tax Credit Statistics, April 2017. Table 7.1 In-work families with children

(Initial data research by Cathy Wells; main research for Tables B and C: Rita Griffiths)

Appendix 3: Devolution and social security⁹¹

Northern Ireland should generally mirror those in GB. There are minor flexibilities in universal credit payment and NI has introduced mitigations for some benefit cuts. Scotland is gaining control over some benefits, has some flexibilities over universal credit payment, and is introducing a child payment for low-income families. It has set up an agency for benefit delivery, with principles of dignity and respect. Wales is considering benefit devolution.

Northern Ireland (NI)

- social security fully devolved; but parity principle still obtains (NI Act 1998), meaning that social security and pensions provisions should mirror those in GB;
- the administration of universal credit differs,⁹² in particular through more frequent payments and payment of the housing costs element to the landlord by default;⁹³ payments can be split between partners on request, but this has had low take-up;⁹⁴
- there is a package of mitigation measures to help compensate for many of the benefit cuts implemented by the UK government;⁹⁵ but these expire in March 2020.

⁹¹ For overview of devolution, see Torrance, D. (2019) 'Introduction to devolution in the UK', *House of Commons Library Research Briefing Paper CBP 8599*:

<https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8599>

⁹² http://www.legislation.gov.uk/nisr/2016/216/pdfs/nisrem_20160216_en.pdf

⁹³ <https://www.communities-ni.gov.uk/articles/universal-credit-and-rented-housing-guide-landlords>

⁹⁴ <https://publications.parliament.uk/pa/cm201719/cmselect/cmniaf/2100/210004.htm>

⁹⁵ <https://publications.parliament.uk/pa/cm201719/cmselect/cmniaf/2100/210005.htm>

Scotland⁹⁶

- many benefits are reserved to the UK government, but with some exceptions;⁹⁷
- ill-health, disability and carers' benefits will be devolved, starting in 2020; but already a carer's supplement (twice yearly lump sum payments which increase it to jobseeker's allowance level) will be of great value to women, one of whom are carers;
- lump sums for funeral and maternity payments, to which the government added other payments, especially for families with children, which will be valuable for women;
- some powers over the administration of universal credit, in particular twice monthly payment and payment of the housing costs element to the landlord by request;⁹⁸
- the Scottish government is working out how to split UC between partners in couples;
- a Scottish child payment of £10/week per child will be available for families on UC;
- a Social Security Agency has been set up with dignity and respect as core principles; and panels of claimants give advice, including on a new social security charter.

Wales

- benefits are not devolved⁹⁹ but the Welsh government is currently considering this, with an inquiry by the Equality, Local Government and Communities Committee;
- the Wales Act 2017¹⁰⁰ allows the Assembly to make laws on powers not reserved; Head F lists social security, child support, pensions and compensation as reserved.

⁹⁶ <https://www.gov.scot/publications/stakeholder-engagement-toolkit> (revised version July 2019) and <https://www.gov.scot/policies/social-security>

⁹⁷ See Scotland Act 2016

⁹⁸ <https://www.citizensadvice.org.uk/scotland/benefits/universal-credit/on-universal-credit/change-how-your-universal-credit-is-paid-in-scotland/>

⁹⁹ <https://www.gov.uk/guidance/devolution-settlement-wales> (last updated 10.9.18)

¹⁰⁰ <http://www.legislation.gov.uk/ukpga/2017/4/contents/enacted>