

There are further things we would propose to do in the forthcoming Parliament as steps towards this major reform:

- Reform the existing working-age benefits regime.
- Pay an enhanced *Child Benefit*.
- Introduce a universal *Citizen's Pension*.

WORKING-AGE BENEFITS

A major problem with existing working-age benefits and tax credits is the poverty trap. We would be prepared to *invest up to £30 billion over the Parliament to reduce the amounts that people lose from their benefits* when they move into paid work and to fund the other changes to the benefits regime set out in this section.

In complex ways, eligibility for some benefits (e.g. Jobseeker's Allowance) is lost altogether once a person is employed for a certain period, or reduced pound for pound if certain small disregarded amounts are exceeded. Some other benefits (e.g. Housing Benefit) are reduced in a different way, by withdrawal rates that allow those earning to keep a small part of what they earn and not lose all of it. We would make small changes in the direction of allowing those who earn some income from paid work to keep more of that income, starting with increasing the disregards for Income Support and Jobseeker's Allowance (JSA). Initially we would increase the income disregarded on JSA for all categories of client to £50 a week, with similar increases for those on Universal Credit.

It is not possible to be precise about how much the increased costs of such moves would be offset by more people on benefits taking up employment or working for longer hours. Depending on results, we are prepared to invest up to £30 billion on such employment-stimulating measures over the Parliament. We would also explore the introduction of a more generous treatment of earnings within Universal Credit for all claimants, whatever their housing circumstances.

We would also:

- *Halt implementation of the Universal Credit* programme and carry out a thorough review of its structure and implementation, including the treatment of earned income, and removing conditionality.
- *End work-for-benefits programmes, or workfare*, and ensure a fair choice of waged work opportunities or voluntary training for jobseekers.
- Ensure that all those on *training or work placements* as part of the benefits regime are either in college-based training or at work earning at least the minimum wage.
- Review the harsh systems of *sanctions and benefits caps* introduced by the Coalition government and its predecessors.
- Consider offering more personalised job-seeking support for people with *mental health* problems.
- Restore *Council Tax Benefit* at the equivalent of 2012–13 levels for low-income householders, costing around £500 million a year.
- Cancel the Department for Work and Pensions contracts with the *private sector* for benefit entitlement assessment.
- Restore the link between *state benefits and earnings*; ensure state benefits rise as fast as prices or wages, whichever of those grows more.
- *Abolish childcare tax credits and tax reliefs* in the light of our proposals for free universal early education and childcare.
- Pay *students* maintenance grants until Basic Income is introduced.
- Raise the *minimum wage* and outlaw exploitative *zero-hours contracts*, so that the jobs taken by unemployed people are above a minimum standard.