Two-child limit scrapped as historic Bill to lift 450,000 children out of poverty becomes law

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Historic legislation to end the two-child limit has become law, putting 450,000 children on a pathway out of poverty in the final year of this Parliament.

- Two child-limit – which pushed 100 children a day into hardship – to be scrapped as child poverty bill becomes law.
- 450,000 children to be lifted out of poverty in the final year of this Parliament - the largest reduction in child poverty since records began.
- Comes as part of Government’s wider plan to break down barriers to opportunity and give every child the best start in life.

Historic legislation to end the two-child limit has become law, putting 450,000 children on a pathway out of poverty in the final year of this Parliament.

Since its introduction in 2017, the two-child limit has been the biggest single driver of child poverty and today, 2.6 million children in the UK don’t have enough food at home, over 172,000 have no permanent home, and babies born in the poorest areas are twice as likely to die before their first birthday.

The policy’s removal is the single most cost-effective measure available to the Government to drive down poverty rates. Up to 1.5 million children across Great Britain could be helped by the change, representing the most significant action to tackle child poverty since comparable records began.

This will predominantly help working families — around sixty per cent of households affected by the two-child limit have a parent in work, and nearly half were not on Universal Credit when any of their children were born.

Removing the two-child limit sits at the heart of the Child Poverty Strategy which brings together action across government to increase family incomes, cut the cost of essentials and strengthen local services. Alongside measures such as expanding free school meals, extending childcare support, and supporting parents in work, the strategy is set to lift 550,000 children out of poverty in the final year of this parliament.

Secretary of State for Work and Pensions Pat McFadden, said:

> Today is an historic day, marking a turning point for 450,000 children across Britain.

> Scrapping the two-child limit is about more than family finances today, it’s about the Britain we’re building for tomorrow.
>
> Children growing up in poverty are far more likely to leave school without qualifications and end up not in work or education as young adults, and we’re determined to break that cycle once and for all and give every child the best start in life.

Children in the poorest areas are four times more likely to have mental health problems, twice as likely to suffer from obesity and tooth decay, and disadvantaged pupils are twice as likely to be persistently absent from school — with hunger and unsuitable housing making it harder to come to school ready to learn.

These early disadvantages have lasting consequences: children growing up in poverty are more likely to leave school without good GCSEs, less likely to find work, and go on to earn around 50% less by the age of 40 than their better-off peers, making early action both a moral imperative and sound economic policy.

Minister for Employment Dame Diana Johnson, said:

> For too long, the two-child limit has held children back through no fault of their own.
>
> With the law now changed, hundreds of thousands of children will grow up with greater security and opportunity.
>
> We’re determined to break the link between a child’s background and their life chances and today brings us a step closer to that goal.

The change removes the existing restriction in Universal Credit and Child Tax Credit that limited support to a family’s first two children. It takes effect from 6 April 2026, with families already claiming Universal Credit seeing the update applied automatically with no action needed.

This comes as the government continues to take wider action to help families by driving down the cost of living with measures including increasing the National Living Wage, cutting an average £150 from household energy bills and freezing rail and prescription charges.

Additional information:

- The Universal Credit (Removal of Two Child Limit Act) received Royal Assent on 18 March 2026. The removal of the two-child limit from Universal Credit takes effect from 6 April 2026.
- The Child Poverty Strategy was published on 5 December 2025 and sets out an ambitious decade-long mission to tackle the drivers of child poverty across the UK: Child Poverty Strategy
- More information can be found here: Poverty impacts of social security changes at Budget 2025 - GOV.UK
- Removing the two-child limit is estimated to lift 450,000 children out of poverty in the final year of this Parliament. Alongside wider measures in the strategy, including expansion of free school meals to all children in households on Universal Credit from September 2026, the total rises to approximately 550,000. This is expected to lead to the largest reduction in child poverty in a single Parliament since comparable records began in the 1990s.

- There are currently 4.5 million children (31%) living in relative poverty after housing costs in the UK, 900,000 more than in 2010/11.
- Almost three in four children in poverty (72%) live in a working household.
- The £1 billion Crisis and Resilience Fund, launched in April 2026, replaces the Household Support Fund and Discretionary Housing Payments, providing multi-year funding certainty for local authorities in England to deliver crisis support and poverty prevention. Local welfare provision is a devolved matter and Discretionary Housing Payments will continue in Wales.
- The Child Poverty Strategy applies to the whole of the United Kingdom. Powers to tackle child poverty vary across devolved nations, and the UK Government is working with the Scottish Government, Welsh Government and the Northern Ireland Executive to deliver on shared ambitions.

Dr Philip Goodwin, Chief Executive Officer of The UK Committee for UNICEF (UNICEF UK) said:

> Today marks a landmark moment. With Royal Assent granted to scrap the two-child limit, hundreds of thousands of children will finally get the fair chance they deserve. This is one of the most powerful actions the UK can take to lift children out of poverty, and it will transform lives for years to come.
>
> Action on child poverty doesn’t just support families today - it strengthens our communities and our economy. Investing in families gives every child the chance to grow up safe, healthy and hopeful about their futures.

Dan Paskins, Executive Director of UK Impact at Save the Children UK, said:

> This is a landmark investment in children across the UK. For the past nine years, there has effectively been a cap on childhood as the two-child limit to benefits kept families poor and robbed children in larger families of the same opportunities as their peers.
>
> With the two-child limit to benefits abolished, there is now more of a chance that incomes will match the real cost of raising a family, as well better health outcomes for children, educational attainment and long-term job prospects. This investment in childhood today will have a positive impact for generations to come.

Abigail Wood, CEO of Gingerbread, said:

> Gingerbread has campaigned long and hard for the two-child limit to be scrapped. It pushed children into poverty and unfairly punished single parents.
>
> We need to see single parents and their children supported not punished. Removing the two child limit is the right thing for our government to do and we welcome this step.

Sara Ogilvie, Director of Policy, Rights and Advocacy at Child Poverty Action Group said:

The abolition of the two-child limit by parliament is an important and welcome first step in driving down child poverty. It will give millions of children across the UK a better today and brighter tomorrow.

Protecting children from poverty is the right thing to do and lays the foundations for a stronger country for us all.

Mark Russell, CEO of The Children's Society said:

Ending the two-child limit will change lives.

For years, this policy has pushed hundreds of thousands of children into poverty through no fault of their own.

Lifting it is a bold and important step that will make a real difference to families across the country.

Andrew Forsey, national director of Feeding Britain said:

This is a most significant moment in the fight against child poverty.

Thanks to this piece of legislation, hundreds of thousands of children will be both lifted free from the clutches of hunger and destitution and also enabled to fulfil their potential at school.

https://www.gov.uk/government/news/two-child-limit-scrapped-as-historic-bill-to-lift-450000-children-out-of-poverty-becomes-law