

# How come some families get Â£25,000 cash benefits wit...

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The Welfare Reform Bill passed last week, As a result there is [now a cap of £26,000 a year](#) on the benefits a family can receive, wherever they are, whatever their need, however many in the family there are.

The issue is contentious: I do not support that cap. It's too crude to ever approximate to justice. [Over 70,000 families](#) will lose as a result of it, whether fairly or not.

But I have another reason for objecting. My research suggests that rather more families - more than 200,000 in fact - as quoted in the Guardian this morning - enjoy 50% tax relief on their pension contributions and get up to £25,000 a year in tax subsidy for their savings as a result.

The result is if you're on hard times the maximum benefit you can have from the state is £26,000 on which to survive, come what may. But if you're in the top 1% (the 50% tax payers are almost exactly 1% of all taxpayers) then you can have a benefit of £25,000 a year from the state to boost your savings and make you wealthier still.

You couldn't make it up. Except the Tories did.