Exercise 4: The *BenCalc* function

Implementing a reform using *BenCalc*

# Objectives

* Use the *BenCalc* function to add a supplement to child benefit worth up to £30 per week payable to benefit units with at least two dependent children to the 2026 tax and benefit system for the UK. The supplement should be withdrawn until it is exhausted at the rate of £1 per week for each £10 of employment earnings per week, on any employment earnings in excess of £20,000 per year.
* Analyse effects of the reform.

# Directions

We will implement the new reform by extending child benefit and use the Statistics Presenter to analyse the associated effects.

* Open UKMOD and access the UK policy descriptions.
* Copy the *UK\_2026* system and call the copy *UK\_2026\_ex4*.
* Open the child benefit policy (*bch\_uk*).
* Append a new *BenCalc* function to the *bch\_uk* policy.
	+ Use the default parameters provided for *BenCalc* to add a supplementary benefit worth £30 per week for all benefit units with at least two dependent children (mirroring the policy considered in Exercise 3).
	+ Add *Withdraw* parameters to the new *BenCalc* function to allow for means-testing of the supplementary benefit.
* Save the model changes.
* Run both *UK\_2026* and *UK\_2026\_ex4*.
* Use the Statistics Presenter’s *Baseline/Reform* template to analyse the distributional effects.