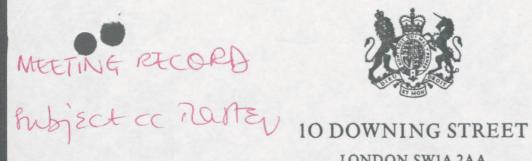
BUDGET CONFIDENTIAL





LONDON SW1A 2AA

From the Private Secretary

15 March 1990

Dow Ton,

INCOME RELATED BENEFITS: CAPITAL LIMITS

The Prime Minister and the Chancellor had a brief discussion yesterday evening in the light of the Secretary of State for Social Security's letter to the Chancellor dated 14 March. They agreed that, in the light of the latest developments and information, it would be appropriate to raise to £16,000 the capital limit for Community Charge Benefit and Housing Benefit, and to £8,000 the capital limit for Income Support and Family Credit. In both cases, however, there should be no change in the starting point for the tapers at £3,000.

I am copying this letter to Stuart Lord (Department of Social Security) and Carys Evans (Chief Secretary's Office).

(PAUL GRAY)

John Gieve, Esq., HM Treasury.