HOUSING BENEFIT REFORM CHANGES FROM APRIL 2013

From 15 July 2013 there will be a cap on the amount of benefit that working age people can receive nationally. The benefit cap is one of the welfare reform measures the government is introducing to promote fairness between those in work and those receiving benefits.

From April 2013 the Government introduced size restriction rules for those in receipt of Housing Benefit for working age people renting from a local authority, a registered housing association or other registered social landlord.

In April 2013 Council Tax Benefit was abolished as part of the government’s changes to the welfare system. All councils were required to set up their own Council Tax Reduction scheme for people on low incomes to replace it, for the Isle of Wight this is called Council Tax Support.

**Benefit Cap**

The cap will restrict the level of benefits that people aged 16 to 64 receive. The cap will make sure that households getting benefits will not normally get more in benefit than the average working household receives in pay.

A household means you, your partner if you have one, and any children you are responsible for and who live with you.

**How might the benefit cap affect you?**

If you are currently receiving housing benefit and are likely to be affected by the benefit cap, you will be contacted by the Department of Work and Pensions (DWP), and/or the Council’s Housing Benefit service.

The actual amount of the cap has been set as follows.

- **If you are a single person household the maximum is expected to be capped at £350 a week and either:**
  - you have no children
  - the children you have responsibility for do not live with you

- **If you are a couple and or a lone parent household the maximum is expected to be capped at £500 a week if you are either:**
  - a couple, with or without dependent children
  - a lone parent with dependent children

**What is included in the benefit cap?**

The cap will apply to the combined income from the main out of work benefits.

If your combined income from benefits is above the capping thresholds this means that your housing benefit payment may be reduced from July 2013.

When added together the benefit cap will limit the total income you can get from the following benefits:

- Bereavement Allowance
- Carer's Allowance
The cap will not apply if you qualify for Working Tax Credit or get any of the following benefits:

- Disability Living Allowance
- Personal Independence Payment (from April 2013)
- Attendance Allowance
- Industrial Injuries Benefits
- Employment and Support Allowance, if paid with the support component
- War Widow's or War Widower's Pension

**Benefit Cap Calculator**

If you are concerned that the Benefit Cap may affect you an online benefit calculator is available to use on the Gov.uk website at https://www.gov.uk/benefit-cap. You can use this to get an estimate of how much your housing benefit could be reduced by if the amount of benefit you receive is more than the cap limits, and your circumstances remain the same until the cap is applied in July 2013.

To answer the questions in the calculator you will need to know the weekly amount of award for each benefit or allowance you or someone in your household receives. These can be found on your award letters.

If you do not have your award letters you can call the benefit cap helpline number 0845 0657064 or textphone 0845 6088551 for people with hearing or speech impairments.

**Housing Benefit size criteria restrictions for working age claimants living in social housing from 1 April 2013**

This change came into force for all existing and new claimants to Housing Benefit from 1 April 2013 and applies to the majority of social housing provided accommodation where an exemption does not apply.
The new rules will restrict the size of accommodation you can receive Housing Benefit for based on the number of people in your household.

The amount of Housing Benefit you can receive is based on the number of people in your household as per below.

- every adult couple (Married or unmarried)
- any other adult aged 16 or over
- any two children of the same sex aged under 16
- any two children aged under 10
- any other child, (other than a child whose main home is elsewhere)
- a carer (or team of carers) who do not live with you but provide you or your partner with overnight care

**How could you be effected**

It is possible that the amount of Housing Benefit you get to pay your rent and any service charges could go down.

If you are assessed under these rules as having more bedrooms than are necessary for your household you will be considered to be under-occupying that property. If you are under-occupying there will be a reduction in your Housing Benefit. The amount allowed for rent and any allowable charges will be reduced by:

- 14% for under occupancy by 1 bedroom
- 25% for under occupancy by 2 bedrooms or more

If you are thinking of moving you need to consider these changes before renewing or making a new tenancy agreement.

In certain circumstances you may be able to get a Discretionary Housing Payment to make up all or some of the reduction whilst you review your circumstances to make up any ongoing shortfall between your benefit and rent – ask the Housing Benefit office about this.

**Council Tax Benefit replaced with a local Council Tax Support scheme from 1 April 2013**

As part of the Governments welfare reforms from 1 April 2013 the current national Council Tax Benefit Scheme was replaced with a Local Council Tax Support scheme, which is determined by each local authority area.

The government will no longer fund the full expenditure of Local Council Tax Support awards. The shortage in funding meant that Isle of Wight Council had to make some difficult decisions about who gets financial help and how much they get.

For further information on the Local Council Tax Support scheme, please visit the information available on our Local Council Tax Support web page.