Benefit changes

How the benefit changes may affect you
Benefit changes

From April 2013 the government is making changes to the benefits system. If you claim housing benefit to help pay your rent you may be affected by the changes. We explain what these changes are, who they might affect and where you can go for advice.

The bedroom tax

The amount of housing benefit you get may be reduced if you have more bedrooms than you actually need.

The government’s new rules allow one bedroom for each person or couple living as part of a household, with the following exceptions:

- Children under 16 of the same gender will be expected to share
- Children under 10, regardless of gender, will be expected to share
- Disabled residents who need a non-resident overnight carer will not be penalised for having an extra bedroom

The new rules will apply even if:

- You and your partner need to sleep apart because of a medical condition or for some other reason
- Your children live at another address and you have a spare room for when they stay with you

This could affect you if:

- You are of working age (aged 16 to 61 years old)
- You are only claiming a small amount of housing benefit because, for example, you are working
- Even if you are sick or disabled

This won’t affect you if:

- You are living in a one bedroom home
- You or your partner are old enough to receive pension credits (in April 2013 the pension credit age will be 61 years and 6 months depending on the year you were born)

What happens if you have a spare room

If you have one spare bedroom your housing benefit will be cut by 14%. If you have two or more spare bedrooms you will lose 25%.

If your benefit is cut you will have to pay your landlord (Catalyst) the difference between your housing benefit and your rent.

How the spare room rules could affect a couple

Mr and Mrs Adams live in a two bedroom flat. They pay £110 per week in rent. At the moment housing benefit covers the full cost of their rent. Under the new rules they will have one spare bedroom.

This means their housing benefit will be reduced by 14% of their rent (14% of £110 = £15.40) to £94.60 per week. They will have to pay £15.40 per week towards their rent.

How the spare room rules could affect a family

Mr and Mrs Ahmed live with their two teenage boys, aged 13 and 15, in a three bedroom house. Their rent is £125 per week and they receive £10 per week in housing benefit.

Under the new rules their children will be expected to share a bedroom so they will be treated as having one spare room.

Their housing benefit will be reduced by 14% of their rent (14% of £125 = £17.50). This means they will lose all their housing benefit.
**Universal Credit**

From October 2013 if you get income related jobseeker’s allowance, income related employment and support allowance, housing benefit, child tax credit or income support you will get just one monthly payment.

This will be called Universal Credit and it will be paid directly to you. It’s then your responsibility to pay your bills from this money including your rent.

Regrettably, each year we are forced to take legal action against people who don’t pay their rent. Unless you own your home outright, your lease or tenancy agreement says you must pay your rent. If we do take legal action you may have to pay legal costs and interest on late payments. You could even lose your home!

**Limit on benefits**

From April 2013 there will be a limit to the amount of benefit you can get if you are of working age.

**The maximum you can get will be:**

- £350 per week for single people without children
- £500 per week for a single parent, or a couple with or without children

**This will not apply to you if:**

- You get pension credit or working tax credit
- A member of your household is claiming disability living allowance, attendance allowance or the support element of employment and support allowance

**Changes to council tax**

From 1 April 2013 council tax benefit will no longer exist. To get help to pay for your council tax you will have to apply for council tax support.

Councils will have to introduce their own council tax support schemes to decide how council tax discounts are applied and how reductions are managed.

This new scheme is means tested. So the council will look at any income, savings and investments you may have before deciding how much council tax support you get.

If you are a pensioner and are receiving pension credit you won’t be affected by these changes.

To find out more about council tax support, please contact your council.

**£50 civil penalty**

Changes in your circumstances can affect your benefits. If you don’t report them and get overpaid as a result, you may have to pay a £50 civil penalty from 1 October 2012.

As well as the penalty, you’ll have to pay back the amount you were overpaid to the Department for Work and Pensions.

If you’re paid too much housing benefit, the money will be taken out of your future housing benefit payments – leaving you with a shortfall. You will need to pay Catalyst the difference.

Changes in your circumstances include things like:

- Getting married or moving in with a partner
- Moving or living abroad
- Getting a new job or pay rise
- If you’ve recovered from an illness

If you think you’re getting more benefits than you are entitled to or if your circumstances change, please tell the job centre, the Pension Service or your council.
What should I do?
If you are worried about not being able to pay your rent because of these changes you should ask for advice now. If you don’t pay your rent you could lose your home.

Below are just some of the things you can do to limit the negative impact of the benefit changes.

Contact our income team
If you’re finding it difficult to pay your rent or manage your money, please speak to our income team (contact details on back page).

They will work with you to come up with a repayment plan so you don’t end up losing your home. They can also put you in contact with independent agencies, like the Citizens Advice Bureau, so you can get impartial advice.

Move to a smaller home
To avoid the bedroom tax you could move to a smaller home. We’ll give you £1,000 for every bedroom you give up and £500 towards removal costs.

To find out more, just speak to your neighbourhood manager.

Get some free training
Our community development charity, Catalyst Gateway can offer support to help you into work. They run schemes that can help you prepare your CV, complete application forms, prepare for interviews as well as find work placements, training courses and apprenticeships.

Contact them on 0845 437 9705 or enquiries@catalystgateway.org.uk

Contact your local council
Councils have a limited amount of money available to make discretionary payments towards housing costs.

Your council may prioritise your claim if you have a disability or if your home has been adapted to help you live independently.

For more information on the benefit changes visit www.gov.uk or speak to your council.

If you need any of this information in large print, Braille, on audio-tape or explained in your own language, please contact us on the number below.

0300 456 2099
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