

Changes to housing benefit

If you claim housing benefit to help pay your rent you will have been affected by the changes that came in from **April 2013**. These changes mean that some people now get less housing benefit than they did before. You may have heard this referred to as 'bedroom tax' by the media.

New rules for housing benefit

If you are of working age, and the Government decides you have one or more 'spare' bedrooms, your housing benefit will be reduced.

Who will be affected by the new rules?

- ▶ If you are of working age, you will be affected.
- ▶ If you have reached the age to qualify for state pension credit you will not be affected.
- ▶ You won't be affected if you live in a one-bedroom flat or bedsit.

What are the new rules?

Your housing benefit will be based on the size of home you need, not how much your rent is. The amount of housing benefit paid depends on whether – according to the government – you have more bedrooms than you need.

If you are under-occupying your home (which means you have more bedrooms than you need), you will lose some of your housing benefit.



How do you know if you have more bedrooms than you need?

The government has decided that you are entitled to one bedroom for:

- ▶ each adult couple
- ▶ each person aged 16 or over
- ▶ two boys aged under 16*
- ▶ two children (whether they are of the same sex or not) aged under 10*
- ▶ any other child
- ▶ a carer (who does not normally live with you) if you or your partner need overnight care
- ▶ two girls aged under 16*

*Children sharing bedrooms – the government expects two children to share a bedroom when they are under 10, even if they are of different sexes. Two children under 16 are expected to share a bedroom if they are the same sex.

One 'spare' bedroom

Use the information in the previous section to work out whether you have more bedrooms than the government says you need.

If you have one 'spare' bedroom you will be responsible for paying 14% of your rent.

Example A

Tom lives in a two bedroomed home. His rent is £80 per week (excluding water rates).

Under the Government's new rules Tom, as a single adult, only needs one bedroom, so has a 'spare' bedroom. In order to work out how much he would lose, Tom has to work out 14% of his rent.

His rent is £80 per week. 14% of £80 is £11.20. His housing benefit will be £68.80 per week (£80 minus £11.20). Tom will have to pay the £11.20 towards his rent.



Example B

Mrs Smith has one child and they live in a three bedroom home. Her rent is £95 per week (excluding water rates).

She works part time and doesn't receive full housing benefit. She used to receive £50 per week in housing benefit and pay £45 rent herself.

Under the Government's new rules Mrs Smith only needs two bedrooms, so has a 'spare' bedroom. In order to work out how much she would lose, Mrs Smith has to work out 14% of her rent.

Her rent is £95 per week. 14% of £95 is £13.30. Her housing benefit will be £36.70 per week (£50 minus £13.30). Mrs Smith will have to pay £58.30 towards her rent.

Two 'spare' bedrooms

If you have two 'spare' bedrooms you will be responsible for paying 25% of your rent.

Example

Mr and Mrs Benson are both of working age and live in a three bedroom home. Their rent is £95 per week (excluding water rates).

Under the Government's new rules Mr and Mrs Benson, as a couple, only need one bedroom, so have two 'spare' bedrooms.

In order to work out how much they would lose, Mr and Mrs Benson have to work out 25% of their rent.

Their rent is £95 per week. 25% of £95 is £23.75. Their housing benefit is £71.25 per week (£95 minus £23.75). Mr and Mrs Benson will have to pay £23.75 towards their rent.

Water rates and other charges

In all the examples shown, water rates and other charges are excluded. So if all the people in the examples were paying £5 per week in water rates. Tom would pay £16.20 per week, Mrs Smith would pay £63.30 per week and Mr and Mrs Benson £28.75 per week.



Maximum benefits allowed

The overall amount of benefit you can receive will be capped.

The government will add up how much money you get from a range of benefits, including housing benefit, jobseeker's allowance, income support, employment support allowance and tax credit.

If the total comes to more than the maximum amount allowed, your housing benefit payments will be reduced.

The maximum amount of benefit you will be able to receive will be:

- ▶ £500 per week for couples with or without children
- ▶ £500 per week for single parents
- ▶ £350 per week for single people without children.

The caps are not affected by how many children you have. The cap remains the same whether you have one child or five 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.

The government has opened a helpline which you can call on 0845 605 7064.



What if you lose housing benefit?

If you don't pay your rent, you could lose your home.

So if you are worried about how you will afford your rent, ask for advice now.

You could consider doing the following things to make your rent more affordable:

- ▶ Start to save now so that you have money later on to afford the extra costs. You can join Advance Credit Union and save with them. To find out more phone 0121 350 8883.
- ▶ Budget - look at reducing other costs.
- ▶ Visit the welfare reform pages of our website.
- ▶ Ask a friend or relative to move in with you and pay a contribution towards your rent.
- ▶ Check that you are claiming all the benefits you can. We can give you advice on benefits too.
- ▶ Find paid work to increase your income.
- ▶ Consider options for transferring to a home with fewer bedrooms.
- ▶ Contact us for further options and advice, see back page for details.



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