

Welfare Reform - Changes to Benefit payments

The Government's Welfare Reform Act is now law and the changes could have an effect on you.

The main changes are:

1. **April 2012** – if you have someone over 18 living with you who isn't your partner, and you claim Housing Benefit, the amount they are expected to pay towards the rent is going up.
2. **April 2013** - if you are working age, and have one spare bedroom or more, the amount of housing benefit you get will be reduced
3. **April 2013** – if your family receives more than £500 a week in benefits (including housing and council tax benefits) you will have your benefits reduced
4. **October 2013** – housing benefit (and all other out of work benefits) will be replaced by a new benefit called Universal Credit.

1. Non Dependant Deductions

From April 2012, changes to the way Housing Benefit is worked out may mean you have more rent to pay. Someone who lives with you who is aged 18 or over and who is not a joint tenant or boarder and not your partner is called a non dependant.

This could be:-

- ✓ Grown up son or daughter
- ✓ A parent
- ✓ A friend
- ✓ Another relative who lives with you

If you have a non dependant living in your home your housing benefit is usually reduced by a certain amount each week. This is called a non dependant deduction

This amount depends on the circumstances of the non dependant living with you. For example if they are working or on benefits.

If you have a non dependant, all charges are going up by 22%, so, for example, if you have to pay £9.78 a week now, the new charge will be £11.91

As it is your tenancy you will be responsible for paying the shortfall. We cannot make the individuals pay, as our tenancy agreement is with you.

2. Under Occupation

If you are under-occupying your home, and are of working age (working age is defined as under 61 and 6 months in April 2013 – but this increases over the years, and is up to 66 by 2020), you will lose between an average of £11 and £22 a week from your housing benefit. It depends how many bedrooms you have spare. Examples of the types of groups affected by this change include:

- ✓ A single person or couple in a 2, 3 or 4 bedroom house
- ✓ A single person or a couple with one child living in a 3 or 4 bedroom house
- ✓ A single person or couple with 2 children of the same sex under the age of 16, living in a 3 or 4 bedroom house
- ✓ A single person or couple with 2 children under the age of 10 of different sex living in a 3 or 4 bedroom house

If you have one or more spare bedrooms, we may be able to help you move to a smaller property by:

- ✓ Helping you to use Homefinder (Mansfield and Ashfield's choice based letting scheme)
- ✓ Finding opportunities for you to exchange with another tenant

If you do not wish to move, we may be able to help you in other ways, including budgeting advice. However, you will be responsible for meeting any shortfall in rent payment resulting from reduced Housing Benefit

3. The Benefit Cap

This change means that a family cannot receive benefits of more than £500 a week, or a single person more than £350 a week. This includes any payments made for your housing benefit

4. Universal Credit

Another change for working age tenants (not pensioners)

Housing Benefit (and all other out of work benefits) will be replaced by Universal Credit. The way you get your benefit is also going to change. You will receive all your Universal Credit in one payment every month, and it will be your responsibility to use that money to pay your rent and all your other bills.

The rules for paying your rent direct to the council as your landlord is changing and only certain people will be able to choose this payment option – The Government however have not yet decided who will be eligible for payments to be made direct to their landlords

**Everyone else will have to pay us themselves!
The Government will no longer pay the money to us on your behalf**

5. Other Changes

As well as the changes to Housing benefit, lots of other benefits are affected too;-

Disability Living Allowance (DLA) from April 2013

Customers with a disability have to date been able to claim Disability Living Allowance (DLA) to help them overcome the barriers that can stop them leading a full and independent life.

The new Personal Independence Payments (PIP) will replace DLA.

The new benefit will be introduced in phases. Initially, the government will conduct a pilot scheme assessing a few thousand new claimants using the new PIP criteria. This is planned for April 2013.

In autumn 2013, any reviews and changes of circumstances relating to existing DLA claims will be assessed using the PIP rules. The Department for Work and Pensions intends to reassess all DLA claims starting early 2014 and hopes to finish by 2016.

Council Tax Benefit – From April 2013

To be stopped and replaced by a rebate scheme run by the Council but there are no details yet other than there is expected to be a 10% cut in funding

Universal Credit – From October 2013

This replaces new claims for Income Support, Income based Job Seekers Allowance, income related employment and support allowance and Housing benefit. Eventually everyone who is already claiming these benefits will be on Universal Credit

Now what?

Because of these changes you may get less money. As your landlord we are committed to helping all our tenants and potential tenants to deal with these changes.

We have developed a set of frequently asked questions (FAQ's) that cover the main changes including the benefit cap, Under Occupancy rules and Universal Credit. These are available on our website and are constantly being updated to reflect the information that you may need to know.

Did you know that the Council also employs a Money Advisor and Welfare Rights officer who can help you to deal with your financial difficulties and provide advice on a wide range of welfare benefit issues.

If you are worried about your financial situation and do not know how to deal with it on your own, we can offer you free and confidential advice about budgeting, managing your debt and maximising your income.

This could include advice on the available options for dealing with any debt you have and the money advice service will even help to negotiate affordable payments with creditors on your behalf.

The service can also help you claim the benefits you may be entitled to including disability related benefits and even help with any appeals and reconsiderations.

If you feel you would benefit from the practical help and advice that will help you to deal with any financial difficulties you are experiencing then contact the following for more information or to make an appointment:

**Michelle Males, Welfare Rights Officer on:
01623 463451**

**Graham Moffat, Money Advisor on: 01623
46345**

