

# Changes to your benefits

Be **wise**  
with your  
options



# Changes to your benefits:

## What you need to know

From April 2013, the Government is making changes to benefits.

**If you claim housing benefit to help you pay your rent, or other welfare benefits, these changes may affect you.**

**If you live in a property with more bedrooms than you need, you may also be affected.**

The changes will include:

- **A new 'Bedroom tax'**  
Housing benefit will be reduced if you have one or more spare bedrooms
- **Benefit caps**  
There will be a limit on the amount you can receive in welfare benefit
- **Universal credit**  
This new benefit will replace some existing benefits for working age people
- **Personal Independence Payment (PIP)**  
This will replace Disability Living Allowance (DLA).

We understand that many of you will be worried about what this could mean for you, so we hope this leaflet will help to explain things.

Remember, we are here to help you and you can find all of our contact details on the back page.



# The Bedroom tax:

## How many bedrooms can I have?

From April 2013, if you have one or more 'spare' bedrooms, your housing benefit may be reduced.

### This could affect you:

- if you are 16 to 61 years old
- even if you only get a small amount of housing benefit - for example, if you are working
- if you are sick or disabled

You won't be affected if you live in a one bedroom flat or bedsit.

You may not be affected if you or your partner is old enough to receive Pension Credit. (In April 2013 the Pension Credit age will be around 61 years and 6 months.)

### What does the Government class as a 'spare bedroom'?

Under the new rules, if you have more bedrooms than the Government says you need, you will lose part of your housing benefit. The new rules mean you will be allowed one bedroom for:

- Each adult couple
- Any other person aged 16 or over
- Two children of the same sex under the age of 16

- Two children under the age of 10 regardless of their sex
- Any other child
- A carer (who does not normally live with you) if you or your partner need overnight care

### It does not matter how the 'spare' bedroom is used, the new rules will apply even if:

- You and your partner need to sleep apart because of a medical condition
- Your children live at another address, but you have a spare bedroom for when they stay with you
- You foster children



This shows you how many bedrooms you will be allowed:

## 1 Bedroom



Single man

One Bedroom



Single woman

One Bedroom



Couple

(inc. same sex)

One Bedroom

## 2 Bedrooms



Parent(s) +  
one child

Two Bedrooms



Parent(s) +  
two children  
under 10

(regardless  
of sex)

Two Bedrooms



Parent(s) +  
two same sex  
children under 16

Two Bedrooms

## 3 Bedrooms



Parent(s) +  
two opposite  
sex children  
aged 10-16

Three  
Bedrooms



Parent(s) +  
three  
children  
under 10  
(regardless  
of sex)

Three  
Bedrooms

## What happens if you have a 'spare' bedroom?

When you apply for housing benefit, your full rent is used as a starting point to see if you qualify for help.

Charges that would not usually be covered by housing benefit are then taken off the full rent. This leaves a figure called 'the eligible rent' – in other words, the maximum you could get in housing benefit.

If you have one spare bedroom, the 'eligible rent' will be used to assess your entitlement and your housing benefit will be reduced by 14%. This means the maximum you can claim will be much lower.

If you have two or more spare bedrooms, the 'eligible rent' will be reduced by 25%.

**Mr and Mrs Smith** live in a two-bedroom flat costing £70 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.' Their housing benefit will be reduced by 14% of their rent (14% of £70 = £9.80), so their housing benefit will be reduced by £9.80 to £60.20 per week. They will have to pay £9.80 per week towards their rent.



**Mr and Mrs Bell** live with their two teenage sons, aged 13 and 15, in a three bedroom house. Their rent is £100 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 classed as having one spare bedroom. Their housing benefit will be reduced by 14% (14% of £100 = £14), so they will lose all of their housing benefit.



# Benefit caps:

## limiting the amount of benefit you can receive

From April 2013, the overall amount of benefit you can receive will be capped. This will begin in London and will then be rolled out across the country in the summer.

The Government will add up how much money you get from a range of benefits. If the total comes to more than the maximum amounts below, your housing benefit payment will be reduced and other benefits may be too.

**The maximum amount of benefit you will receive will be:**

- £500 per week for single parents
- £500 per week for couples with or without children

- £350 per week for single people without children

**This may 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 support allowance.

# Universal Credit

Universal Credit is a new benefit which will start to replace the main means-tested benefits for working age people from October 2013. It will combine all of the following benefits into one payment:

- Jobseekers allowance
- Income-related Employment and Support allowance
- Housing benefit
- Income support
- Tax credits



Council Tax Benefit is not included and will be dealt with by the council.

The council will look at ways to financially support people on low incomes.

For most people, Universal credit will be paid monthly in arrears direct to you and will include an amount for housing costs. Most claims for Universal Credit will have to be made online.

**If you are affected by the changes, you will have to pay your rent directly to New Charter Homes. You will have to make sure there is enough money in your account to cover the rent or you will get into debt (rent arrears), which could ultimately lead to you losing your home.**

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## Disability Living Allowance (DLA) is changing to Personal Independence Payment (PIP)

From 8th April 2013 the Government is also introducing a new benefit called Personal Independence Payment (PIP) to replace Disability Living Allowance (DLA) for people aged 16 to 64 (working age).

Disability Living Allowance will end for everyone of working age even if they have an indefinite period/lifetime award.

There are no current plans to replace Disability Living Allowance for children under 16 and people aged 65 and over, for those who already receive it.

The new benefit will be based on an individual's ability to carry out a range of key everyday activities. Information will be gathered from the individual, as well as from health care and other professionals who work with and support them.

# Getting help

## Is there any extra help I can get?

**You may be entitled to a Discretionary Housing Payment (DHP) if you receive housing benefit or council tax benefit, but are struggling to pay the rest of your rent yourself.**

To find out if you can apply for one of these 'top-up' payments, contact our Money Care Team on 0161 331 2456 and we will direct you to the right person at the council.

**The council will decide who should be given the payments.**

A DHP cannot be paid if the reason for the shortfall is that your housing benefit has been reduced to recover an overpayment or because other benefits have been reduced.

The council will usually take into account any special circumstances that are causing you financial difficulty, e.g:

- You have to pay child maintenance or have to pay legal costs
- Your heating costs are high as you spend a lot of time at home because of sickness or disability
- You pay a lot of travel costs to get to a doctor or hospital regularly, or you care for a relative or friend
- You are likely to become homeless if a payment is not made

To apply, you need to fill in a DHP application form which you can get by phoning or visiting the council or downloading it from the council's website.

(You will need to supply details of all your income and outgoings when you make a claim). If your claim is not successful, you can't appeal, but you can ask the council to have another look at their decision for you.

**Contact our Money Care team on 0161 331 2456 and we will direct you to the right person at the council.**



**If you are worried about being able to afford to pay your rent when these changes happen, ask for advice now. If you don't pay your rent, you could lose your home, so talk to us about different ways to pay.**

**You can also:**

- Talk to New Charter Homes about moving to a smaller home.
- Contact your council to ask about extra financial help. The council may prioritise your claim if you have a disability and your house has been adapted.
- Contact your local Citizens Advice Bureau ([www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)) or other local advice agencies.
- Make sure you are claiming all the benefits you can.
- Try to find some paid work to increase your income.
- Look at how you spend your money now - are there things you can cut back on?

You can get more information about the cap on benefits by calling the **Government's information line on 0845 605 7064.**

## **New Charter's Money Care team**

can help you if you have any concerns about benefits and paying your rent. The team can also give you debt advice and help you with budgeting.

Contact the Money Care team on 0161 331 2456 or email [moneycare@newcharter.co.uk](mailto:moneycare@newcharter.co.uk)

## **We also have a specialist team called S.W.A.T.**

This team are helping to support tenants who are affected by the Bedroom Tax, looking at different living options to help you.

You can contact the team on 0161 331 2000 or email [swat@newcharter.co.uk](mailto:swat@newcharter.co.uk)  
The SWAT team also has a blog: [www.newcharterhomes.co.uk/welfare-reform/swat-blog](http://www.newcharterhomes.co.uk/welfare-reform/swat-blog)

You can also check your benefit entitlements yourself using the free benefit calculators on our website: [www.newcharterhomes.co.uk/pay-your-rent/benefit-calculator](http://www.newcharterhomes.co.uk/pay-your-rent/benefit-calculator)

