Housing Benefit and Council Tax Benefit Rule Changes from April 2011–2013

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Excess LHA to be scrapped

No more 'excess LHA'

If you rent from a private landlord and the benefit is worked out under the 'old rules', i.e. you claimed from your current address before April 2008 then the LHA changes below won't affect you.

If you rent from a private landlord, the rule changes for Local Housing Allowance (LHA) will affect you if your claim at your current address started after 7 April 2008.

If you made a claim on or after 1 April 2011 and the LHA rules apply, then these changes apply to the claim straightaway.

Existing claimants

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If your rent is less than your LHA rate, then you may have been paid more HB because it was allowed to pay a rent of up to £15 a week more than the actual rent. But this has been scrapped under the new rules.

For example:

Your rent was £65 per week and your maximum LHA rate was £85 per week you will receive £80 per week.

If your rent was £65 per week and your maximum LHA rate was £70 per week, you will receive £70 per week.

The excess payment will carry on until the claim renewal date after April 2011. This is usually the anniversary of your claim (the 'anniversary date'), but if there is a change like moving home or needing a different number of bedrooms before this date the higher rent will stop being used when that change happens.

For example, if you claimed benefit from 1 March 2011 your anniversary date will be 1 March 2012. You will then lose your excess payment.

New claimants

For any new claims from 1 April 2011, if your rent is less than the maximum LHA rate, you will only receive the amount for rent.

Change in maximum rate from 5 to 4 bedrooms

Maximum rate is for four bedrooms

If you rent from a private landlord and the benefit is worked out under the 'old rules', i.e. you claimed from your current address before April 2008 then the LHA changes below won't affect you.

If you rent from a private landlord, the rule changes for Local Housing Allowance (LHA) will affect you if your claim at your current address started after 7 April 2008.

If you made a claim on or after 1 April 2011 and the LHA rules apply then these changes apply to the claim straightaway. The highest LHA rate is now for four bedrooms, not five.

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**Existing claimants**

If your claim was for the five-bedroom LHA rate you can claim this until the claim renewal date after April 2011 **plus** nine months.

The claim renewal date is usually the anniversary of your claim (the ‘anniversary date’), **but** if there is a change like moving home you will only be allowed to claim for four bedrooms.

For example, if you claimed benefit from 1 March 2011, your anniversary date will be 1 March 2012. Your changes will affect you nine months later, ie 1 December 2012.

**New claimants**

For any new claims from 1 April 2011 the maximum LHA rate you can get is for four-bedroomed accommodation.

**Reduction in LHA rates**

_The LHA rates have gone down_

If you rent from a private landlord and the benefit is worked out under the 'old rules', i.e. you claimed from your current address **before April 2008** then the LHA changes below **won't affect you**.

If you rent from a private landlord, the rule changes for Local Housing Allowance (LHA) will affect you, if your claim at your current address started after **7 April 2008**.

If you made a claim on or after **1 April 2011** and the LHA rules apply, then these changes apply to the claim straightaway.

The government has reduced the LHA rates. Before the April 2011 changes, about five in ten properties in an area were affordable for people on Housing Benefit.

From April 2011 these rates have gone down, with the result that only about three in every ten properties are affordable for people on Housing Benefit.
Existing claimants

If you claimed before 1 April 2011, your LHA rate will remain the same until the claim renewal date after April 2011 plus nine months.

The claim renewal date is usually the anniversary of your claim (the 'anniversary date'), but if there is a change like moving home or needing a different number of bedrooms before this date you will receive the lower rate.

For example, if you claimed benefit from 1 March 2011, your anniversary date will be 1 March 2012. Your changes will affect you nine months later, i.e. 1 December 2012.

New claimants

For any new claims from 1 April 2011, you will receive the lower rate.

Payments direct to landlord

Payments Direct to Landlord

If you rent from a private landlord and the benefit is worked out under the 'old rules', i.e. you claimed from your current address before April 2008 then the LHA changes below won't affect you.

If you rent from a private landlord, the rule changes for Local Housing Allowance (LHA) will affect you, if your claim at your current address started after 7 April 2008.

If you made a claim on or after 1 April 2011 and the LHA rules apply, then these changes apply to the claim straightaway.

Whenever possible the LHA is paid direct to the tenant so that they are responsible for paying their own rent. The Benefits Service can decide to pay your landlord:

- if you don't use your LHA to pay your rent; or
- if you have a history of rent arrears; or
- if you have rent arrears of eight weeks or more; or
- if you find it difficult to manage finances; or

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- if, after April 2011, your landlord helps you to get a new tenancy or keep your current tenancy, by charging a reduced rent that you can afford.

If any of these apply to you, your LHA can be paid to your landlord. Evidence in writing is needed to support this. The evidence can be from:

- your landlord
- a welfare agency
- a social worker
- a health worker
- an advice worker
- friends or family

You, or someone acting on your behalf, can ask that your LHA is paid to your landlord. You (the tenant) must sign the written request, as well as the person making the request. You should send evidence if you can.

**Non-dependant deductions**

In April 2011 the amount of non-dependant charges went up. This means the amount of Housing Benefit and Council Tax Benefit may have gone down.

Non-dependant deductions apply if there is an adult who is not your partner who lives in the household, for example, grown-up children or other relatives or friends aged 18 and over. They are called non-dependants and an amount must be deducted from the benefit for them. There are exceptions when money is not deducted (see below). However, if there were deductions already, these went up from the beginning of April 2011. The government plans to put the deductions for non-dependants up again in 2012, 2013 and 2014.

**Deduction will not be made for any non-dependant if you or your partner are:**

- registered blind
• getting Attendance Allowance
• getting Constant Attendance Allowance
• getting the care component of Disability Living Allowance

**Deduction from either Housing Benefit or from Council Tax Benefit will not be made if the non-dependant:**

• is under 18

• is under 25 and on Income Support or income-based Jobseeker's Allowance or income-related Employment Support Allowance (assessment phase)

• is on work-based training for young people (formerly Youth Training) and getting a training allowance

• is a full-time student or student nurse

• has been in hospital for more than 52 weeks

• is in legal custody (on remand or after being sentenced)

• usually lives elsewhere (but you need to tell us their permanent address or we will usually make the deduction)

• is getting Pension Credit (either the guaranteed part, the savings part, or both)

**Deduction from Council Tax Benefit will not be made if the non-dependant:**

• is in one of the groups in [2] above

• is under 25 and on income-related Employment Support Allowance (main phase)

• is 25 or over and on Income Support or income-based Jobseeker's Allowance or income-related Employment Support Allowance (main phase or assessment phase)

• is an apprentice

• is severely mentally disabled

• is a carer

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Non dependant deductions from April 2011

<table>
<thead>
<tr>
<th>Non-dependant over 18, working 16 hours or more a week with a gross weekly income of:</th>
<th>Amount taken off Housing Benefit (£)</th>
<th>Amount taken off Council Tax Benefit (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to £121.99</td>
<td>9.40</td>
<td>2.85</td>
</tr>
<tr>
<td>£122 to £179.99</td>
<td>21.55</td>
<td>2.85</td>
</tr>
<tr>
<td>£180 to £233.99</td>
<td>29.60</td>
<td>5.70</td>
</tr>
<tr>
<td>£234 to 309.99</td>
<td>48.45</td>
<td>5.70</td>
</tr>
<tr>
<td>£310 to £386.99</td>
<td>55.20</td>
<td>7.20</td>
</tr>
<tr>
<td>£387 or more</td>
<td>60.60</td>
<td>8.60</td>
</tr>
<tr>
<td>Non-dependant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 18, working less than 16 hours a week</td>
<td>9.40</td>
<td>2.85</td>
</tr>
<tr>
<td>Receiving Pension Credit, may or may not be working</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Aged 25 or over and on IS/JSA(IB)</td>
<td>9.40</td>
<td>Nil</td>
</tr>
<tr>
<td>Aged under 25 and on IS/JSA(IB) or assessment phase ESA(IR)</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Aged 25 or over and receiving ESA(IR) assessment phase</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Receiving ESA(IR) main phase</td>
<td>9.40</td>
<td>Nil</td>
</tr>
<tr>
<td>Receiving ESA(C) or JSA(C)</td>
<td>9.40</td>
<td>2.85</td>
</tr>
</tbody>
</table>
### Non-dependant deductions from April 2012

<table>
<thead>
<tr>
<th>Non-dependant over 18, working 16 hours or more a week with a gross weekly income of:</th>
<th>Amount taken off Housing Benefit (£)</th>
<th>Amount taken off Council Tax Benefit (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to £123.99</td>
<td>11.45</td>
<td>3.30</td>
</tr>
<tr>
<td>£124 to £182.99</td>
<td>26.25</td>
<td>3.30</td>
</tr>
<tr>
<td>£183 to £237.99</td>
<td>36.10</td>
<td>6.55</td>
</tr>
<tr>
<td>£238 to 315.99</td>
<td>59.05</td>
<td>6.55</td>
</tr>
<tr>
<td>£316 to £393.99</td>
<td>67.25</td>
<td>8.25</td>
</tr>
<tr>
<td>£394 or more</td>
<td>73.85</td>
<td>9.90</td>
</tr>
</tbody>
</table>

### Non-dependant

<table>
<thead>
<tr>
<th>Non-dependant</th>
<th>Amount taken off Housing Benefit (£)</th>
<th>Amount taken off Council Tax Benefit (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 18, working less than 16 hours a week</td>
<td>11.45</td>
<td>3.30</td>
</tr>
<tr>
<td>Receiving Pension Credit, may or may not be working</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Aged 25 or over and on IS/JSA(IB)</td>
<td>11.45</td>
<td>Nil</td>
</tr>
<tr>
<td>Aged under 25 and on IS/JSA(IB) or assessment phase ESA(IR)</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Aged 25 or over and receiving ESA(IR) assessment phase</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Receiving ESA(IR) main phase</td>
<td>11.45</td>
<td>Nil</td>
</tr>
<tr>
<td>Receiving ESA(C) or JSA(C)</td>
<td>11.45</td>
<td>3.30</td>
</tr>
</tbody>
</table>
Extra help for disabled private tenants

Good news! Extra help for disabled private tenants

From 1 April 2011 Housing Benefit can help with the cost of an extra bedroom if:

- the claimant or partner are disabled;
- the claimant rents from a private landlord; and
- either or both persons need and receive regular overnight care from a carer who doesn't live with them, but who has sole use of a bedroom in that home.
- the care could be provided by an individual or a team of carers.

The Local Authority will need evidence that regular overnight care is needed and is provided.

An extra bedroom can be added when it is decided which LHA rate to use to work out your benefit, if the LHA rules apply to you. If the 'old rules' apply to the claim, then the Valuation Office Agency is asked to include an extra bedroom for the carer in their valuation.

This can be done from 1 April 2011 for new claims and existing claimants.

However, this change won't help if the rent is currently below the LHA rate (or, for the 'old rules', below the Valuation Office Agency's valuation of your home) without an extra room, as we must work out the benefit using the amount of the rent.

Under 35s and Shared Room Rate

If you rent from a private landlord and are aged between aged 25 to 34 and single, the rule changes for Local Housing Allowance (LHA) will affect you. The shared accommodation rate that used to apply just to single people under 25 who were tenants of private landlords now also applies to people aged under 35.

Existing claimants

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If your benefit is worked out under the 'old rules', i.e. you claimed from your current address before April 2008 then the LHA changes will affect you. When you have your annual review after 1 April 2011, the rules will come into effect 12 months after that date.

For example, if you claimed in May 2007, the first review after April 2011 would be May 2011 the local authority must use the shared accommodation rate 12 months after this date i.e. in May 2012.

If your claim at your current address started after 7 April 2008 and before 1 April 2011 the new rules will apply from the claim renewal date after April 2011 plus nine months. The claim renewal date is usually the anniversary of your claim (the 'anniversary date'). For example if you claimed in September 2010, your anniversary date was in September 2011. The shared accommodation rate will be used nine months after this, (June 2012), using the June 2012 rate.

If you claimed between 1 April 2011 and 31 December 2011, the new rules will apply 12 months from the 'anniversary date' - For example, if benefit was claimed in July 2011, the anniversary date is in July 2012 and the Local Authority must apply the shared accommodation rate from July 2012, using the July 2012 rate.

But if there is a change like moving home you will receive the new shared room rate from the date of your new claim.

New claimants

For any new claims from 1 January 2012, you will only receive the Shared Room Rate.

When the new rules don't apply

The shared accommodation rate for some single people under 35 does not apply if:

- someone else (for example, a partner, child, elderly relative, friend or grown-up child) lives with you as part of your household
- you rent from a housing association or the council
- you live in supported housing provided by a housing association, registered charity or voluntary organisation and get a package of care or support from your landlord (or from somebody else on behalf of your landlord)
- your private tenancy began before January 1989

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• you are severely disabled and get the middle or higher rate care component of Disability Living Allowance

• you need an extra bedroom for a carer who does not live with you but who provides you with overnight care

• you are aged under 22 and have been in the care of a local authority since the age of 16, or have been accommodated by a local authority since the age of 16

• you have lived in a hostel for homeless people or a hostel that provides rehabilitation and resettlement within the community for at least three months. You must have received resettlement support to help you live in the community

• you are an ex-offender and your housing has been arranged for you through Multi Agency Public Protection Arrangements (MAPPA) for managing the risk posed by sexual and violent offenders

**Proposed changes from 2013**

The government has announced plans for other changes starting from April 2013.

**April 2013**

**Housing Benefit will be restricted** for some people whose home is larger than their household needs. This will apply to council and housing association tenants of ‘working age’. At present, ‘working age’ people become ‘pension age’ people when they reach the state retirement age for women. This is increasing from 60 to 65 between April 2010 and April 2020. If you have one spare bedroom, the eligible rent will be reduced by 14%. If you have two or more spare bedrooms, the eligible rent will be reduced by 25%.

**Local Housing Allowance (LHA) rates will be increased in line with the Consumer Prices Index** instead of being linked to local rent levels. This is likely to mean that LHA rates will lose touch with the local rented housing market - they will not reflect local rents.

**There will be a ‘benefit cap’ for people of working age** - a maximum benefit income level of £500 per week for couples and lone parents and £350 per week for single people on out-of-work benefits. Some benefits will be exempt from the cap. Housing Benefit is likely to be the benefit that will be reduced when someone’s benefit income reaches the cap level. The cap is most likely to affect families with more than four children.
End of national Council Tax Benefit scheme – to be replaced with a local scheme run by each local authority, which will set its own rules, but this must cost less than the current scheme. There will be some transitional protection for existing claims.

October 2013

Housing Benefit will become part of the Universal Credit scheme that will replace out-of-work income-related benefits and tax credits to help people move into work.

October 2014

Introduction of housing credit element of state pension credit, which will replace housing benefit for all new pension age claims for housing benefit and/or pension credit.

2015-2017

Transfer of all remaining housing benefit claims to universal credit/state pension credit. Housing benefit scheme to end by October 2017.