

## The Welfare Reform Rules

### The Bedroom Tax – starts April 2013

Customers will only be able to claim Housing Benefit for the number of bedrooms that the Department for Work & Pensions says that they need for their household.

#### **What are the rules?**

- Children of both sexes under 10 would be expected to share a bedroom
- Children of the same sex under 16 would be expected to share a bedroom
- Each adult or couple would have their own bedroom
- No extra rooms will be allowed for when someone visits – this includes where a child comes to stay with a parent that they do not normally live with. Only one parent can have the room allowance for the child, even where they share access to the child.
- No extra rooms will be allowed for medical reasons, for example where a couple need separate rooms because of them is ill or recovering from an operation.

If customers have 1 or more bedrooms than they need their Housing Benefit entitlement will be reduced by 14% for one room and by 25% for 2 or more extra bedrooms.

### The Benefit Cap – starts April 2013

#### **How will it be calculated?**

The cap will be set at the average net earnings for a working household,

- £500 per week (£26k per annum) for lone parents and couples with or without children,
- £350 per week (£18,200 per annum) for single people without children.

#### **The benefits included in the cap are:**

- Jobseekers Allowance, Employment Support Allowance, Housing Benefit, Child Benefit, Child Tax Credit, Carers Allowance, Council Tax Benefit, Widowed Parents Allowance

#### **The cap will not include the following benefits:**

- Working tax credits, Disability Living Allowance/PIP, War widows/widowers benefits

### Universal Credit- starts October 2013 for NEW claims

The benefit payments it replaces are

- Housing Benefit, Income Support, Income-Based Jobseekers Allowance, Income-Related Employment and Support Allowance, Child Tax Credit, Working Tax Credit

Over a **four year period existing claimants** will start to be moved across to this new type of payment.

#### **Important changes:**

- Housing benefit part of the Universal Credit,
- Paid into customers bank account (they will need one!)
- Monthly in arrears
- Their claims will be online
- Bromford will no longer get housing benefit paid directly to them customers will be expected to pay their own rent to us

The following **benefits** are **excluded** from the Universal Credit

- Disability Living Allowance, Child Benefit, Contribution Based Jobseekers Allowance, Contributory Employment and Support Allowance, Statutory Sick Pay, Industrial Injuries Disablement Benefit, Council Tax Benefit, Bereavement Benefits, Carers Allowance, Statutory Maternity Pay and Maternity Allowance