



IMPORTANT WELFARE REFORM INFORMATION

Universal Credit

Universal Credit, (UC), is being introduced in stages across the UK. It will eventually replace Housing Benefit, Income Support, Employment & Support Allowance, Jobseeker's Allowance and some tax credits.

What is Universal Credit?

Universal Credit is a new way of paying benefits. It brings together several different benefits and combines them into one monthly payment which goes straight into your bank account. Under Universal Credit you'll be expected to either look for work or take action to find work.

Universal Credit will replace:

- housing benefit
- income-based jobseeker's allowance
- income-related employment and support allowance
- income support
- child tax credits
- working tax credits.

Once in receipt of UC you will need to start budgeting your income as you will have to pay your Rent and other expenses from the payment you receive each month. This will be a radical change for many people who have been used to getting their rent paid directly to their Landlord via Housing Benefit payments.

Getting Universal Credit means you will now be responsible for paying your rent to your landlord.

If you find you are put on to UC you must contact Knowes as soon as possible as we can offer you assistance in managing your money and setting up payment methods so your rent is paid.

Please contact your Housing Officer by phoning 01389 877752 who will offer you the assistance you might need.

Please remember the UC payment you receive includes money that you need to pay your rent with.

Bedroom Tax

Think carefully when choosing the size of property you would like to live in.

From April 2013 the Government changed the rules on how much Housing Benefit you will be entitled to if you live in a local authority or housing association property, **based on the size of property you rent.**

Housing Benefit is help you get from the local authority to pay your rent if your income is low enough - maybe because you are not working or work part-time or have a low wage.

If you qualify for Housing Benefit, and you are of Working Age then this change will affect you. You might want to think about this when choosing the size of property to apply for.

You will be affected by this if you are:

- a single person and have more than one bedroom
- a couple without children and you have more than one bedroom
- a parent who has access to your children for only part of the week
- a couple or single parent family with one child with 3 bedrooms
- a couple or single parent family with two children of the same sex both under 16 with 3 or more bedrooms
- a couple or single parent family with two children of different sexes both under 10 with 3 or more bedrooms

Those that are considered to be under-occupying their accommodation will see the following reduction in their housing benefit:

- 14% reduction if you under- occupy your home by one bedroom; and
- 25% reduction if you under-occupy by two bedrooms or more

If you are in any of these categories you'll have to find the money to pay for this change. Your housing benefit will not cover the full charge of your rent and you will have to pay the difference yourself, even if you are not working.

The amount you will have to pay depends on the rent charged for your property, so it will vary from one property to the next.

Here are some examples:

Example 1

A couple occupy a three bedroom house.

Rent = £100 per week.

Applying the size criteria means that the household is deemed to be under- occupying by two bedrooms.

A 25% reduction of £25.00 is applied resulting in housing benefit entitlement of £75.00.

Example 2

A couple living in a three bedroom property with two children aged one and three

Rent = £90 per week

Applying the size criteria means that the household is deemed to be under- occupying by one bedroom.

A 14% reduction of £12.60 is applied resulting in Housing benefit entitlement of £68.80.

Example 3

A couple living in a two bedroom flat with no children.

Rent = £60 per week

Applying the size criteria means that the household is deemed to be under-occupying by one bedroom.

A 14% reduction of £8.40 is applied resulting in housing benefit entitlement of £51.60

The changes

Prior to April 2013, if you were allocated a property by us the number of bedrooms made no difference to how much Housing Benefit you will get.

However, since April 2013 you will get less Housing Benefit if you are allocated a property that the Government considers is too big for you, **even if we had no smaller properties that we could offer you or you were allocated your property before the rules changed.**

- If you are 61 or over this restriction won't apply
- If you're sure you won't need Housing Benefit to pay your rent then this change doesn't affect you.

If you want to know more about this, please contact either your Housing Officer or Allocations Officer at our office. Contact details can be found in the Application Pack, at www.knowes.org or by contacting 01389 877752.

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