

Factsheet 6 : Welfare Reform: Who is Affected and How?

Introduction of Universal Credit:

This is a single benefit that will replace existing 'means tested' benefit, including Tax Credits, Housing Benefit, Income Support, Income-based Jobseekers Allowance and Income-related Employment and Support Allowance.

- Benefit will be capped (see below)
- Benefit will be paid monthly in advance rather than weekly or fortnightly. This means claimants will have to manage their money and may need help with budgeting
- claimants will face financial penalties if they don't meet 'job related requirements'
- because Housing Benefit is included in Universal Credit, tenants who usually had their rent paid direct to their landlord will now be responsible for paying their own rent
- claims will be managed online, which will make it harder for people who don't have the use of a computer
- it will be rolled out from October 2013, with full handover by 2017
- any change in circumstances for current claimants will result in an amended claim going over to Universal Credit

Benefits Cap:

Families receiving benefits will have their money capped at: £500 per week for couples and single parents; £350 per week for single people without children. This is the equivalent of average earnings after tax.

- some benefits will remain outside of the cap on Universal Credit. Others who will be exempt from the cap are working households on working Tax Credit and Universal Credit; and people putting in a new claim (if the person has been in work for the previous 12 months)
- the cap will be introduced from April 2013
- the cap is likely to affect larger households (3+ children) and people paying a higher rent
- a reduced income means that households will have to manage conflicting priorities,

Under Occupation:

Otherwise known as the 'Bedroom Tax'. Social housing tenants whose homes are bigger than they need, will have their Housing Benefit reduced as follows:

- a family with one spare bedroom will lose up to 14% of their Housing Benefit
- a family with two spare rooms will lose up to 25%. This means that benefits paid will not cover the full rental amount and it is important that the shortfall is made up by the tenant to avoid arrears.

There are a number of other changes that the Welfare Reform Act introduces. These include:

- the replacement of Disability Living Allowance with Personal Independence Payment for everyone between the ages of 16-64
- tougher action on people claiming benefits fraudulently
- limits to the amount of time people can claim Employment Support Allowance
- local authorities taking over the administration of Discretionary Social Fund, from Job Centre Plus
- more complicated processes in place for people who want to appeal against the loss or reduction in benefits
- the replacement of Council Tax benefit with a rebate scheme which will be administered by the local authority

What can you do about changes that might affect you?

If you are under occupying your current home and you are a tenant of Runnymede Borough Council then ask yourself the following questions?

- **Do I or my partner claim housing benefit?**
- **Am I or my partner of working age?**
- **Am I under occupying my current accommodation?**

If you have answered yes to the above questions you will be affected by the 'bedroom tax' and you need to consider moving to a smaller property unless you are confident you can make the shortfall of rent up from your other benefits or income.

You can register on the Home Swapper website to look for a mutual exchange for a more suitable property and you can register on the Housing Register for a transfer to a smaller property. Runnymede gives priority on the Housing Register to tenants who are currently underoccupying. Please speak to the duty housing needs officer for more details.