

## Welfare Benefits are Changing

The UK Government is implementing a programme of **welfare reform**. From April 2013 there will be changes to the welfare benefits system which will affect people of working age i.e. aged 18 - 64 (from age 16 in certain circumstances).

### Universal Credit (from October 2013)

This is a new benefit being introduced in October 2013 for **new** claims from people of working age and will replace the following benefits:

- Job Seekers Allowance (Income based)
- Employment and Support Allowance (Income based)
- Income Support
- Child Tax Credit
- Working tax Credit
- Housing Benefit

The Department for Work and Pensions (DWP) will administer the new benefit and will expect most claims to be made on line. Universal Credit will be paid calendar monthly to one person in the household on a **monthly in arrears basis**. From October 2013, anyone who makes a new claim will receive Universal Credit rather than one of the benefits above. New claims for Housing Benefit will no longer be processed by East Ayrshire Council. Existing claimants of the benefits listed above will be moved onto Universal Credit by 2017.

### How will my benefits be paid?

Your monthly benefits will be paid directly to you and you will have to budget your spending over the month.

## What about my rent?

Rent costs will be included in your Universal Credit payment and will no longer be paid directly to landlords via the Housing Benefits system. You will therefore need to make sure that your rent payments are budgeted for.

## Benefit Cap (April 2013)

A cap on the maximum amount of benefit which can be paid to working age claimants will be introduced from April 2013. This will be £350 per week for single claimants and £500 per week for couples and lone parents.

## What benefits are included in the calculation?

All benefits including child benefit and housing benefit are included. Disability benefits and anyone entitled to Working Tax Credit (WTC) will not be included.

## What happens if my benefit entitlement exceeds the cap figure?

The Housing Benefit element of your payment will be reduced and you will receive the reduced amount of benefits. Any shortfall in the amount allowed for Housing Benefit will need to be paid to your rent from your overall entitlement.

## Housing Benefit Occupancy Rules (2013/2014)

From April 2013, working age claimants who occupy a property which is bigger than they need will have their Housing Benefit reduced. There will be a 14% reduction for under occupancy of 1 bedroom and 25% reduction where two or more bedrooms are under occupied.

The new rules allow one bedroom for:

- every adult couple (married or unmarried)
- other adult(s) aged 16 or over
- any two children of the same sex aged under 16
- any two children aged under 10

- any other child, (other than a foster child or child whose main home is elsewhere)
- a carer (or team of carers) who do not live with you but provide you or your partner with overnight care

### What happens if my benefit is reduced?

You will have to make up the difference from benefits or other income to pay your rent.

Alternatively you may wish to explore the possibility of moving to a smaller house.

### Inflationary Increases to Benefits – from April 2013

From April 2013 inflationary increases for Housing Benefit will be in line with the Consumer Price Index (CPI) rather than the current Retail Price Index (RPI). This means that any rent increases calculated on the basis of RPI may outstrip any benefit increases calculated on CPI.

### What happens if my benefit increase does not cover my rent increase?

You will have to make up the difference from benefits or other income.

### Council Tax Benefit (2013/2014)

The existing Council Tax scheme will be abolished and replaced by the Council Tax Support Scheme in Scotland in 2013. The expectation is that the Council Tax Support Scheme will be similar to the existing benefit scheme in the first year. As such the various discounts including the single person's discount will apply. Alternative schemes are being looked at for future years.

### Should I be doing anything about this?

Not yet. Wait for further information.

## Crisis Loans and Community Care Grants (April 2013)

From April 2013 the DWP will no longer be responsible for Crisis Loans and Community Care Grants. A new Scottish Welfare Fund will be established and administered by Councils from April 2013. However this will not include the provision of loans. The DWP will continue to deal with other payments such as Maternity Grants, Funeral Payments, Cold Weather Payments and Winter Fuel payments.

### Should I be doing anything about this?

Not yet. Wait for further information. Until the new scheme is operational if you need to apply for a Crisis Loan or Community Care Grant you should contact the DWP.

## Personal Independence Payments (June 2013)

Personal Independence Payments (PIP) will replace Disability Living Allowance (DLA) for new working age claimants. The process of claiming will include a face to face assessment. Awards will be for a fixed term and subject to review.

### Should I be doing anything about this?

Not yet. Wait for further information. The criteria relating to qualification for PIP is being amended and exact details of this have still to be announced. People of working age already receiving DLA, will be contacted by DWP and invited to claim PIP, as they will not simply be transferred on to the new benefit.

**For further information and advice please contact your housing officer or visit our office.**