

## FACT SHEET

## Welfare benefits

Find out what's changing and how this could affect you. This guide explains more about what's happening. Even if you don't claim Housing Benefit at the moment, it's worth considering how these changes could affect you in the future.

## 1. The benefits system

The benefits system is changing, which could affect the amount of Housing Benefit you receive.

1. Your Housing Benefit may be reduced if you have one or more 'spare' bedrooms (the 'bedroom tax').
2. Your Housing Benefit may be reduced if the overall benefit you receive is above a certain amount (the benefit cap).
3. A range of benefits and tax credits will be paid as one monthly payment (Universal Credit).

## 2. The bedroom tax

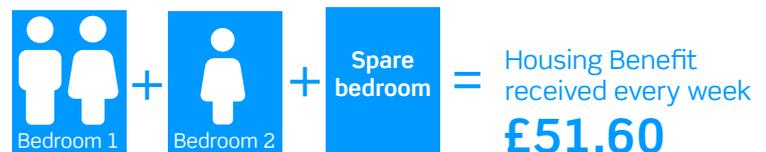
If you have more bedrooms than you need, your Housing Benefit might not cover all your rent.

Your Housing Benefit may be reduced by:

- 14% if you have one spare bedroom
- 25% if you have two spare bedrooms or more

### Example

Tim and Diane live in a three bedroom house. They have two children aged 15 and 17. They used to receive £60 a week Housing Benefit towards their rent, but when their son moved out, this was reduced to £51.60, as they now have a spare room.



You can find more details about how many bedrooms you would be considered to need on our website [www.sovereign.org.uk/benefitchanges](http://www.sovereign.org.uk/benefitchanges)

### 3. The Benefit Cap

If you're out of work, or don't work enough hours to claim working tax credit (16 hours a week for a single person and 24 hours a week for a couple) the overall amount of benefit you can receive will be capped. From November 2016, the cap will reduce to the following levels:

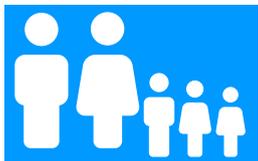
- £384.62 a week for a couple (with or without children living with them)
- £384.62 a week for single parents whose children live with them
- £257.69 a week for single adults who don't have children, or whose children don't live with them

If the amount of benefit you receive goes above this amount, your Housing Benefit will be reduced.

You'll be exempt from the benefit cap if you're getting working tax credits or some disability benefits.

#### Example A

Samantha and Daniel have three children and are both out of work. They currently receive £430.90 a week in benefits. From November 2016 this will be capped at £384.62 a week, so their Housing Benefit will be reduced by £46.28 a week. They'll need to find a way to pay the difference between the Housing Benefit they receive and their rent.



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You can find more information on our website: [sovereign.org.uk/benefitchanges](http://sovereign.org.uk/benefitchanges)

#### Example B

Ania is a single parent with 1 child. She receives £396.20 a week in benefits. As she works 28 hours a week, she's not affected by the cap so her Housing Benefit won't be reduced.



### 4. Universal Credit

Universal Credit will gradually replace working age benefits and tax credits, including housing benefit. It will mean your money, including any support with your rent, gets paid directly to your bank account each month. However, you'll need to make a separate claim to apply for Council Tax support.

It's coming in slowly, but the plan is for everyone who is eligible to have moved over to Universal Credit by December 2023.

To find out if you're eligible for help with your housing costs, please go to the [gov.uk](http://gov.uk) website.

Changes are being made to welfare benefits all the time. It's important to keep up-to-date with changes that are coming that could affect you and think about how you'll pay your rent if your benefit is reduced.



You can find out more about Universal Credit and how to prepare for it on our website [www.sovereign.org.uk/universalcredit](http://www.sovereign.org.uk/universalcredit)