

FACT SHEET

Bedroom tax

Who does it affect?

The bedroom tax was introduced in April 2013 and affects residents of working age who receive, or have made a claim for, Housing Benefit (HB), with some exceptions.

What counts as a bedroom?

The government says it's up to landlords to decide, so we look at what's on a tenancy agreement and the amount of rent we charge.

It doesn't matter whether a bedroom is a single or a double.

How many rooms are allowed?

The bedroom tax rules restrict the size of property you can receive Housing Benefit for, based on the make-up of your household.

The rules allow one bedroom for:

- every adult couple (married or unmarried)
- any other adult 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 child or children 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 I'm under-occupying?

If you live in a social rented home and claim Housing Benefit, your local authority will

assess whether you're under-occupying your property.

If you're considered to be under-occupying, they'll reduce the amount of Housing Benefit you receive on your 'eligible' rent and service charges by a certain percentage.

This percentage will depend on how many rooms you're under-occupying:

- 14% if you're considered to have one extra bedroom.
- 25% if you have two or more extra bedrooms.

If you're affected, it's important you get advice quickly. The first step will be to make sure that the information they're using is correct.

What is 'eligible' rent?

'Eligible' rent is the amount a person can claim Housing Benefit against.

For someone on full Housing Benefit, this would be their full rent plus eligible service charges (some service charges can't be claimed against), e.g. their full rent and service charges come to £110 but their 'eligible' rent is £100.

So, if someone's under-occupying by one bedroom, their housing benefit would be reduced by 14% of the eligible rent, which is £14. Their weekly Housing Benefit would then go down from £100 to £86.

Who's exempt?

There are certain circumstances where bedroom tax won't apply:

- Shared ownership accommodation.
- Temporary accommodation – anyone claiming Housing Benefit who's placed in temporary accommodation by the local authority because they're homeless or could become homeless.
- Exempt accommodation – accommodation provided by a housing association, a registered charity or voluntary association that provides care, support or supervision.
- If a severely disabled child who is eligible for the middle or high rate of Disability Living Allowance (DLA) care can be given their own bedroom.
- Foster carers may not be affected if they've fostered a child or have become an approved foster carer in the last 12 months.
- Bedroom tax may not apply if a household has an adult child who's serving in the armed forces and is away on duty. They'll be deemed as still living at home, so would have an allocated bedroom whilst away on operations. (The same situation may also apply if they're living in barracks as part of pre-deployment training).

How can I find out if I'm affected?

Use the bedroom tax calculator on our website - www.sovereign.org.uk - or speak with your income officer.

What can I do if I'm affected by bedroom tax?

There are a number of things you could do:

- If you feel the decision is wrong – ask the local authority to review it based on your household and size of bedrooms.

- Pay the shortfall – pay the difference between your rent and your Housing Benefit entitlement so that you don't go into arrears.
- Apply for Discretionary Housing Payment – each local authority has a budget to help residents affected by the bedroom tax, who are unlikely to be able to meet the shortfall and where moving to a smaller property isn't a good option.
- Downsize to a smaller property – look at moving to a smaller property more suited to your household. You could do this by mutual exchange through Homeswapper, registering with the local authority for a move or, in some areas, apply for an internal transfer through HomeHunt.

Is bedroom tax different under Universal Credit?

Yes it's different and is known as the occupancy deduction. The amount your universal housing costs will be reduced by is the same 14% or 25% depending on how many bedrooms you're under-occupying. However there are a number of different rules such as joint tenants, who aren't affected by the occupancy deduction. But if you have a lodger or boarder living with you, you'll still be considered as under-occupying your property and your universal credit award will be reduced. Please contact the DWP (www.gov.uk/government/organisations/departments-for-work-pensions) to confirm how you might be affected.

Please remember, it's your responsibility to make sure your rent is paid.

If you feel you're struggling, please contact your income officer straight away.

You can also ask to be referred to one of our tenancy support advisors.

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