

FACT SHEET

Benefit cap

What is the benefit cap?

The government introduced the original benefit cap in 2013, so that people weren't receiving more money from being out of work than what they could expect to earn from being in work.

If you're under pension age and out of work, not working enough hours to be eligible for working tax credit, or earning enough, the overall amount of benefits you can receive has been capped.

From November 2016, benefits are capped at:

- £257.69 per week for single people without children
- £384.62 for single parents
- £384.62 per week for couples, with or without children

Who does it affect?

The cap is more likely to affect those who have larger families, as they're more likely to be claiming higher levels of Child Benefit and Child Tax Credits.

Those living in high rent areas are also more likely to be affected, as they're probably claiming higher levels of Housing Benefit or Universal Credit housing costs.

Which benefits are included in the cap?

- Bereavement Allowance
- Child Benefit
- Child Tax Credit
- Employment and Support Allowance (unless you get the Support Component)
- Guardian's Allowance
- Housing Benefit

- Income Support
- Jobseeker's Allowance
- Maternity Allowance
- Universal Credit
- Widowed Parent's Allowance (or Widowed Mother's Allowance or Widow's Pension if you started receiving it before 9 April 2001)

Which benefits aren't included?

- Attendance Allowance
- Carer's Allowance
- Constant Attendance Allowance
- Disability Living Allowance
- The support component of Employment and Support Allowance (ESA)
- Guardian's Allowance
- Industrial Injuries Benefits (and equivalent payments as part of a war disablement pension or the Armed Forces Compensation Scheme)
- Personal Independence Payment
- **Under Universal Credit:** where the UC award includes a limited capacity for a work-related activity, state retirement pension, statutory sick pay, maternity pay, paternity pay and adoption payments, bereavement support allowance payment, carer's allowance, discretionary housing payment, council tax support.
- War Widow or War Widower's Pension
- Working Tax Credits

Who's exempt?

You'll be exempt from the benefit cap if you're:

- of pension age and aren't claiming Universal Credit
- a single parent, you're on Universal Credit and you're earning £520+ a month
- receiving one of the exempt benefits
- working 24 hours+ per week, as long as one of you or your partner works at least 16 hours per week
- a single parent and work at least 16 hours per week
- living in supported housing, sheltered housing or housing which has disabled adaptations.

Under Universal Credit, you or your partner need to have earned:

- for each monthly assessment period that began before 1 April 2017: £430 a month net or more, or
- for each monthly assessment period that began on or after 1 April 2017: the monthly equivalent of £520 net or more (16hrs a week x the living wage) or

There's also a 'grace period' of 39 weeks before the benefit cap applies if:

- you've been in employment for 52 weeks or more before claiming Housing Benefit
- you, your partner or ex-partner have stopped working (including self-employment) and were working for 50 of the last 52 weeks before your last day of work. The 'grace period' applies from the day you stopped working.
- under Universal Credit you earned at least the amount you'd get for 16 hours per week x living wage for each of the 12 months prior to losing your job/and or your earnings reducing to below £520 (£430 prior to April 2018).

How do I know how much benefit my household receives and if we're affected?

You can work out how the cap might affect you by adding up all the out of work benefits you receive.

Remember to count your benefits, those of your partner and any children you're responsible for who live with you.

Please note, 'non-dependants', such as adult children who still live with you but receive a benefit in their own right, don't normally count as part of your household for benefit cap purposes.

You can then go to the benefits cap calculator on the Directgov website - www.gov.uk/benefit-cap.

This calculates the amount of benefit you receive each week and how much you might be over the cap.

Discretionary Housing Payments

The government has provided funds to local authorities to give short-term, temporary relief to families.

They're aimed at households who are likely to be particularly affected by the benefit cap. These include (but are not limited to):

- those in supported, exempt or temporary accommodation
- individuals or families fleeing domestic violence
- those with kinship care responsibilities
- individuals or families who can't move immediately for health, education or child protection reasons
- households moving to more appropriate accommodation
- recipients of guardian's allowance
- pregnant women within 11 weeks of their due date
- parents of children under nine months old.

You can apply for a Discretionary Housing Payment (or DHP) by contacting your local authority.

Along with your local authority, we're available to help you check if you'll be affected by the benefit cap.

If you'll be affected, we can help you to look at your options and may be able to offer you support.

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.