BENEFITS ARE CHANGING

Underoccupancy Penalty or "Bedroom Tax"
Frequently Asked Questions

www.charnwood.gov.uk/benefitchange
What is the Underoccupancy Penalty or “bedroom tax”? 

From 1 April 2013, Housing Benefit (HB) will be reduced if a claimant, of working age, is considered by the Government to live in a home that has more bedrooms than they and their family need.

**Pensioners are not affected by the changes.**

**Who is affected?**

Anyone of working age who is claiming Housing Benefit and living in social rented housing.

**How many bedrooms can I have?**

Under the new rules, one bedroom is allocated for the following:

- Each couple
- Each adult over 16 years old
- Two children under the age of 16 who are of the same gender
- Two children under the age of 10 who are of either gender
- A disabled tenant or partner who needs non-resident overnight carer will be allowed an extra room

**I need an extra room because…**

... I have a carer who stays with me overnight

Where you have an overnight carer **you will not** be affected by the Housing Benefit reduction – you will need to contact Charnwood Borough Council’s benefits department on 0845 609 1258 to confirm if you qualify.

... I have my child stay with me at weekends

... I need space for medical equipment

There is no exemption for this, and **you will be** affected by the housing benefit reduction.
... I am a foster carer *

... I live in an adapted property which has a spare room *

There is no exemption for this, and you will be affected by the HB reduction,* however, in exceptional circumstances you may be able to apply for Discretionary Housing Payment to make up the difference – you will need to contact Charnwood Borough Council’s benefits department on 0845 609 1258 to confirm if you qualify.

... I have a disabled child/partner who needs their own room

Generally there will be no exceptions to the application of the size limit rules, other than the cases stated above. If there is a reason that an extra room is necessary your local authority may be able to help you with the extra rent through the Discretionary Housing Payment fund.

I’ll be eligible for Pension Credit next year / my child will be entitled to a room of their own next year.

You will be affected by the rule until the date that the change happens.

I’m of working age but my partner is of Pension Credit qualifying age. What happens?

For couples currently claiming Housing Benefit, both the claimant and their partner need to be under the Pension Credit qualifying age to be treated as working age and subject to the bedroom tax.
I am working and get some Housing Benefit. Will the changes affect me?

Yes – and working people will lose the same amount as workless households. This is because any deduction will be calculated as a percentage of Housing Benefit-eligible rent – not the actual amount of Housing Benefit received. This means, for example, that a worker who may be receiving £14 per week in Housing Benefit could stand to lose their entire support.

How much benefit will I lose?

If you are underoccupying by one bedroom your Housing Benefit will be reduced by 14% of your eligible rent amount.

**Based on average weekly rent charges in Charnwood (Feb 2013):**

<table>
<thead>
<tr>
<th>Rent per week</th>
<th>Reduction in Housing Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>£77.29</td>
<td>£10.82</td>
</tr>
<tr>
<td>£97.60</td>
<td>£13.64</td>
</tr>
<tr>
<td>£83.19</td>
<td>£11.64</td>
</tr>
</tbody>
</table>

**CASE STUDY:** Sonia has just moved into a two-bed house. She is six months pregnant and currently in receipt of Jobseekers Allowance. The rent on her new property is £97.60 a week - Sonia will be deemed to be underoccupying her property by one bedroom until the baby is born. Her HB award will therefore be reduced by £13.64 a week

If you are underoccupying by two or more bedrooms, your Housing Benefit will be reduced by 25% of your eligible rent amount.

<table>
<thead>
<tr>
<th>Rent per week</th>
<th>Reduction in Housing Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>£64</td>
<td>£16</td>
</tr>
<tr>
<td>£80</td>
<td>£20</td>
</tr>
<tr>
<td>£83</td>
<td>£20.75</td>
</tr>
</tbody>
</table>

It is a tenant’s responsibility to make up this shortfall and pay the rent in full.
## Will I have to move?

Not necessarily. You have a number of options to help you stay in your home or to move to a smaller property.

<table>
<thead>
<tr>
<th>Option</th>
<th>Risks / Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>You could cover the shortfall from other personal income</td>
<td>• we can refer you for budgeting and debt advice and offer advice about opening a bank account</td>
</tr>
<tr>
<td>You could try to find work or increase your hours</td>
<td>• we can refer you for support / guidance and sign post you towards training or employment</td>
</tr>
</tbody>
</table>
| You could take in a lodger or another family member                    | • you must obtain your landlord’s permission first  
• you need to think carefully about sharing your home with someone else  
• the lodger’s income may affect your benefit claim, and you may have to collect rent from them.                                                                                                      |
| Discretionary Housing Payment (if eligible)                            | • **in exceptional cases only** - you may be able to claim Discretionary Housing Payment to cover the shortfall for a period of time. But there is not enough funding to help everyone |
| Assistance with a move to a smaller property                           | • we can support you to move to a smaller property, but we do not have enough properties to assist everyone immediately                                                                                           |
| Mutual Exchange                                                        | • you can register on the national mutual exchange scheme, Homeswapper, and look for a match with another tenant. Visit [www.homeswapper.co.uk](http://www.homeswapper.co.uk) |
| Move on Charnwood Borough Council's Housing Register                  | • you can register and bid on properties advertised through Choice Based Lettings  
• you can also apply for housing through Homeswapper (see above web address)                                                                                                                                 |
| Private Sector housing                                                 | • you could consider a move to a private rented property                                                                                                                                                       |
If I move, can you pay my moving costs?

No, you will normally be responsible for paying for your removals. However, we may be able to help you if you meet certain criteria.

I can’t afford to stay in my home but don’t want to move my children away from their current school. What shall I do?

Once your child has started at a school you do not have to change their school place just because you move house. If you want to try to find another house in the same area you could:

• register on the mutual exchange scheme
• register on the Charnwood Borough Council housing register
• look for private rented accommodation

How soon will I be able to move?

This will depend on the area and type of property you need. Unfortunately, lots of other people are in the same situation as you, and are trying to move.

A move could be relatively quick, for example, if you find a match through the mutual exchange scheme, but in areas where few properties become available it could take much longer.

In the meantime you are still responsible for paying your rent.

I moved into my home six months ago and now I’m being told I’m underoccupying. Why did you offer me a property when I would be underoccupying?

The changes are being brought in by the Government and will not come into force until April 2013, and we are still waiting for the final guidance to be issued by Department of Work and Pensions.

This is why we have written to you now, to make you aware of the forthcoming changes to the housing benefit rules and discuss your options.
It’s not fair that I can’t afford to live in my family home of 30 years.

The benefit change is a national policy. We are trying to work with affected tenants to help find a solution. Where possible we will try to support people remain in their homes, but unfortunately, we cannot afford to let rent arrears build up. There are other families who are currently overcrowded, who would love the opportunity to live in a larger family home. We would like to give them an opportunity to live in a bigger property and help you to find something that will better suit your housing needs.

I’m concerned – who should I speak to?

Call Charnwood Borough Council’s contact centre on 01509 634666.

The Key Points

**Housing Benefit and the Bedroom Tax**

- From 1 April 2013, Housing Benefit (HB) will be reduced if a claimant, of working age, lives in a home that has more bedrooms than they and their family need. **Pensioners are not affected.**

- If someone is deemed to have a spare room, their HB will be reduced by 14% of their eligible rent or 25% if they have more than one spare room.

- The new Housing Benefit rules will allow:
  - one bedroom for each adult or couple living as part of the household
  - a child under the age of 16 is expected to share with another child of the same gender
  - children under 10 are expected to share with another child regardless of gender
  - a bedroom for a carer is allowed where they provide overnight care to a person with disabilities

- A Discretionary Housing Payment may be available to help people who are likely to suffer severe financial hardship as a result of welfare reform changes
Information is available from:

- our dedicated website www.charnwood.gov.uk/benefitchange
- Come and see us in person at Southfields
- Email us at charnwood.counciltax@secure.capita.co.uk
- Our advisors are on hand to offer advice and support to customers by telephone 0845 6091 258 for benefit enquiries or 01509 634666 for advice if you are a Council tenant

Ways to Pay:

For customers who have never had to pay towards Council Tax before, we have many ways to pay:

- Direct Debit from a bank account.
- In person by presenting bar-coded invoices at any Post Office or PayPoint outlet, along with the payment. Cash payments can be made for free at all PayPoint outlets and at the Post Office you can pay by cash, cheque or debit card for free
- By telephone (using the numbers above)
- Online using a debit or credit card (at www.charnwood.gov.uk)
- Telephone or internet banking

Other Services:

The Bridge (housing and homelessness advice): 01509 260500. www.bridgehousingservices.com
EnQuire (debt advice and benefits): 01509 211194. www.paceuk.org.uk
Charnwood Citizens' Advice Bureau: 0844 4171025 from a landline or 0300 3301025 from a mobile. www.charnwoodcab.org.uk
Charnwood Borough Council's Housing Needs team: 01509 634567 or for out of hours emergencies ONLY 01509 634666
Dept of Work and Pensions benefit advice line: 0800 88 22 00 or www.dwp.gov.uk
JobCentre Plus: 01509 831000

For more useful contacts, visit the East Midlands Regional Homelessness Forum: http://www.emrhf.org.uk