CHANGES TO BENEFITS

WELFARE REFORM UPDATE

‘BEDROOM TAX’

THE BENEFIT CAP

UNIVERSAL CREDIT

AND MORE...
Getting ready for benefits changes

The government has already introduced major changes to the welfare system, with more to follow.

For people of working age, the government’s aim is to make the system simpler and make sure you are better off in work than on benefits.

At the same time, the government is looking to make savings. The total cost of benefits and tax credits across the country is being reduced by over £18 billion a year by 2014-15, compared to how things are now.

The government has also announced most working age benefits will rise by 1% for each of the next three years. This is lower than expected price rises, leaving people with less money to spend.

Now is the time to start thinking about how these changes might affect you. This leaflet focuses on planned changes to benefits this year and includes information about where you can find more advice and support.

People of pension age are not affected by most of the changes described in this leaflet.

For more information on benefits for older people visit www.ageuk.org.uk

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Under Occupation

What is under occupation?
Under occupation is where the government believes you are living in a council or housing association home that is bigger than you need. It is also being called the ‘bedroom tax’. From April 2013, housing benefit will be reduced for working age households with ‘spare’ bedrooms.

Examples of under occupying include:
• A couple living in a two bedroom flat
• A couple with one child living in a three bedroom house

What is the change?
If you are classed as under occupying, the amount of housing benefit you receive will go down.

• If you have one extra bedroom, the amount of rent used to work out your housing benefit will go down by 14% (about £12 a week)
• If you have two or more extra bedrooms, the amount of rent used to work out your housing benefit will go down by 25% (about £22 a week)

Rooms for children
Children are not necessarily allowed a room to themselves.

• Children under 10 years old are expected to share with another child, regardless of their gender.
• Children under 16 are expected to share, if they are the same gender.

Who is affected?
People who rent social housing (such as council and housing association homes), aged between 16 and pension credit age.

More information and advice
See page 18.

To find out more visit www.bristol.gov.uk/benefits or contact the council’s benefits service on 0117 922 2300.

To talk about moving house, or taking in a lodger, contact your landlord. Bristol City Council tenants can call Landlord Services on 0117 922 2200.

There is a free benefits calculator at www.turn2us.org.uk

What are my options?
• Pay the difference yourself and stay where you are.
• If you have other adult family members or friends who live with you, you could ask them to make an extra payment towards the rent.
• Finding a job, or increasing your working hours may mean you will be better off. For more information about finding work visit www.ways2work.org.uk
• Think about moving to a smaller property. Your landlord should be able to provide advice.
• You may want to consider renting your spare room to a lodger. If you decide to do this, please talk to your landlord and the council’s benefits team, as it might affect the amount of housing benefit you get.
• Apply for a discretionary housing payment. In certain circumstances you may be entitled to help, but usually for a short time only. For an application form visit www.bristol.gov.uk/benefits
You won’t be affected by the benefit cap if you qualify for working tax credit (whether or not you claim it), or if you get any of the following benefits:

- Disability living allowance
- Personal independence payment (from April 2013)
- Attendance allowance
- Industrial injuries benefits (and equivalent payments as part of a war disablement pension, or the armed forces compensation scheme)
- Employment and support allowance, if you get the support component
- War widow’s, or war widower’s pension

People who were previously working for at least a year before losing their job won’t be affected by the cap for up to 39 weeks.
Nationally, the government has decided pensioners will be protected from the changes.

Locally, the Mayor is recommending Bristol introduces a scheme that protects households on the lowest incomes and is very similar to the current council tax benefit scheme. It would see minimum change and impact on claimants, but the council will have to fund the scheme by reducing spending on other services.

See page 18.

Final details of the new scheme are being decided. For updates visit www.bristol.gov.uk/socialfundchanges

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Who can apply?

To apply to the fund, you must be living in Bristol.

If you have experienced a crisis or an emergency, you can apply to the local scheme.

Priority will be given to those in the greatest need, on the lowest incomes. A list of priority households, such as those with a disabled child, and priority circumstances, such as those leaving residential care, will be used to decide who will receive payments.

More information

See page 18.

Final details of the new scheme are being decided. For updates visit www.bristol.gov.uk/socialfundchanges

Local Crisis and Prevention Fund

What is the local crisis and prevention fund?

From April 2013, the government’s national social fund will end. The crisis loans and community care grants part of the fund will be replaced by a new local crisis and prevention fund.

In Bristol, the fund will be for emergency payments and household goods for those in the greatest need.

Short term advances

At present, you may be able to claim a crisis loan for living expenses when you have made a claim for benefit, but it has not yet been paid. These payments will be replaced by ‘short term advances’ paid by the Department of Work and Pensions (DWP).

Short term advances must be repaid by deductions from future benefit payments.

DWP can be contacted on 0800 032 7952.

More information

See page 18.

Final details of the new scheme are being decided. For updates visit www.bristol.gov.uk/socialfundchanges

Local Council Tax Reduction

What is local council tax reduction?

From April 2013, the government’s national council tax benefit scheme will end. It is being replaced by local schemes, developed by each council. At the same time, the government is reducing funding for local council tax support schemes.

More information

See page 18.

Final details of the new scheme are being decided. For updates visit www.bristol.gov.uk/counciltaxchanges

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Employment and Support Allowance

What is employment and support allowance (ESA)?

This is a benefit paid to people who have an illness or a disability that affects their ability to work. The government is gradually reassessing people who receive incapacity benefits to see if they are fit for work, or should move onto ESA. You cannot usually get ESA if you are working. You may still be able to get it if you are doing voluntary work.

There are two types of ESA people can claim.

- Contributions Based ESA
  is based on past payment of national insurance contributions. It is normally only paid for one year, unless the person claiming has a severe enough condition to be in the ESA support group (see right).

- Income Related ESA
  takes into account who is living in a household, the claimant and any partner’s income and savings, working hours of any partner, and some housing costs (not already covered by housing benefit).

How to apply?

If you currently claim incapacity benefit, severe disablement allowance, or income support paid on the grounds of illness or disability, the Department of Work and Pensions will send a letter to let you know when you need to be reassessed, if you haven’t been already.

To make a new claim, phone the Department of Work and Pensions on 0800 055 6688, or download a claim form from www.gov.uk/employment-support-allowance

What happens after I claim?

Once you have made a claim, you will have a ‘work capability assessment’ including a face-to-face assessment by a health care professional working for Atos, the organisation contracted by the government. Claimants may also put forward evidence from their own doctor, or other health and support staff who know how their condition affects them. The DWP will then make a decision on the claim.

Work related activity group
Most claimants are placed in this group, which means they may have to go to interviews to discuss preparing for work, or attend training or other activities aimed at going into employment.

Support group
Claimants with more severe conditions are placed in the support group, which means they are not required to carry out preparation for work. You can do voluntary work if you want to.

How can I appeal?

If you believe the decision made about you is incorrect, you can ask the DWP to reconsider their decision and, if necessary, appeal to an independent tribunal.

More information
See page 18.

For more information on employment and support allowance visit www.gov.uk/employment-support-allowance
**Child Benefit**

**What is child benefit?**
Child benefit is paid to people responsible for a child or young person.

**What is changing?**
- Child benefit rates have been frozen since 2011 and won’t increase in 2013.
- From January 2013, you will not be able to claim child benefit if you earn more than £60,000 per year.
- Your child benefit will be reduced by 1% for every £100 earned between £50,000 and £60,000 a year.
- This will be done through the tax system. If you are a couple, it will be taken from the highest earner.

**How do I apply for child benefit?**
You can download a claim form from Her Majesty’s Revenues and Customs website www.hmrc.gov.uk/childbenefit or phone 0845 302 1444 (text phone 0845 302 1474)

**More information**
See page 18.

For more information on child benefit visit www.gov.uk

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**Personal Independence Payment**

**What is personal independence payment?**
The government is replacing disability living allowance (DLA) with a new benefit called personal independence payment (PIP), for disabled people aged 16 to 64. PIP helps with some of the extra costs caused by ill-health or disability. It is based on how your condition affects you, not what condition you have.

**Who can claim?**
If you currently get DLA and are between 16 and 64, the Department for Work and Pensions will contact you to tell you when to apply for PIP. This will happen from June 2013 onwards.

You will not automatically be entitled to PIP. It will be based on an assessment of your personal circumstances and how your condition impacts on your ability to live independently. Information will be gathered from you, as well as healthcare and other professionals who work with and support you.

Children and those aged 65 or over will continue to get DLA.

From June 2013, all new claims will be for PIP instead of DLA.

**More information**
See page 18.

If you currently claim disability living allowance, you should continue to claim it until you are contacted by the Department for Work and Pensions asking you to apply for personal independence payment.

More information is at www.gov.uk/pip
Non-dependant deductions

What are non-dependant deductions?

A non-dependant is someone over the age of 18, who lives in your home with you and your family. This could be a grown up son or daughter, or elderly relatives. It does not include your partner, or younger children who live with you.

A deduction may be taken from your housing benefit and council tax benefit because you have somebody else living in the household with you.

What is the change?

The government has increased the amount deducted for non-dependants from housing benefit over the last two years. A further increase is due in April 2013.

The amount deducted depends on the circumstances of the non-dependant person. It changes based on whether they claim benefits, if they work more than 16 hours per week, and how much they earn.

A deduction is made for every non-dependant person living with you, unless you have two non-dependants who are in a couple, then only one deduction is made.

From April 2013, national council tax benefit will end. It will be replaced by a local council tax reduction scheme (see page 9).

Who is not affected?

Sometimes no deduction is made. Examples include:

- Full-time students
- Someone in prison
- Someone on pension credit
- Where the person claiming housing benefit, or their partner, is receiving the care component of disability living allowance

More information

See page 18.

To find out more visit www.bristol.gov.uk/benefits or contact the council’s benefits service on 0117 922 2300.

Tax Credits

What are tax credits?

There are two types of tax credits. If you work, but are on a low income, you may qualify for working tax credit. If you are responsible for at least one child or young person, you may qualify for child tax credit. You can often get both types of tax credit.

Tax credits are tax free and you don’t have to be paying National Insurance or tax to qualify, but they are means tested.

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Who can apply?

Whether you qualify for tax credits and how much you get depends on your household income and circumstances. This includes your age, who lives in your household, whether anyone is disabled, pay and any other income, working hours and any approved childcare costs.

More information

See page 18.

To find out more visit www.bristol.gov.uk/benefits or contact the council’s benefits service on 0117 922 2300.

Help for low paid workers

If you are a low paid worker, you may also be able to claim:

- Housing benefit towards your rent
- Council tax reduction (see page 9)

To find out more about housing benefit, or to make a claim visit www.bristol.gov.uk/benefits or call the council’s benefits service on 0117 922 2300.

How to make a claim

To get a claim pack phone 0345 300 3900. You will need your national insurance number ready when you call, and details of your income.

More information

See page 18.

For a free benefits calculator and to see which benefits and tax credits you might be able to claim, visit www.turn2us.org.uk or phone their advice line on 0808 802 2000.
The government is planning to cap payments of universal credit at £350 a week for single people and £500 a week for couples and people with children.

See page 6 for more on the benefit cap.

In most cases, universal credit will be paid in one lump sum each month. The government says this is because most people receive their wages this way, and it will make benefit payments more like wages.

Managing and making claims will be done using an online account. Payments will be made directly to a single member of the household, who will be responsible for budgeting and prioritising housing costs. The housing benefit element will no longer be paid directly to landlords.
Useful Contacts

Benefits and money advice

**Turn2us**
For benefits and grants advice  
[www.turn2us.org.uk](http://www.turn2us.org.uk)  
0808 802 2000

**Money Advice Service**
For advice on managing money and budgeting  
[www.moneyadviseservice.org.uk](http://www.moneyadviseservice.org.uk)  
0300 500 5000

**Bristol Credit Union**
For bank accounts and financial services  
[www.bristolcreditunion.org](http://www.bristolcreditunion.org)  
0117 924 7309

**Bristol City Council Services:**

Benefits service  
0117 922 2300  
[www.bristol.gov.uk/benefits](http://www.bristol.gov.uk/benefits)

**Local Advice Agencies**

For free, independent, confidential advice on benefits, employment, housing, money, debt, and more.  
[www.advicewest.org.uk](http://www.advicewest.org.uk)

Bristol Citizen’s Advice Bureau  0844 499 4718  
North Bristol Advice Centre  0117 951 5751  
South Bristol Advice Centre  0117 985 1122  
St Paul’s Advice Centre  0117 955 2981  
Bristol Debt Advice Centre  0117 954 3990

Government information

**Government advice website**  
For information on benefits  
[www.gov.uk](http://www.gov.uk)

**Her Majesty’s Revenues and Customs**  
For information on tax credits  
[www hmrc gov uk/taxcredits](http://www hmrc gov uk/taxcredits)

**Department for Work and Pensions**  
For information about welfare changes  
[www.dwp.gov.uk](http://www.dwp.gov.uk)

Information in this leaflet is correct at the time of going to print. It highlights the main changes to benefits in 2013, but is not a full guide to all benefits and tax credits.
If you would like this information in a different format, for example braille, audiotape, large print or computer disk, please contact us on 0117 922 2423.