

ROCHDALE
BOROUGH COUNCIL

Benefit Changes



Benefit Changes

Lots of changes have already happened, but from this April (2016) the government made even more changes to the benefits system.

If you're claiming benefits, you need to know if you are affected and do all you can to be prepared.

Changes from April 2016

- Some Benefit and Tax Credit rates will be frozen for four years.
- National Living Wage introduced.
- Change to Housing Benefit backdating.
- Reduction in Universal Credit Work Allowances.

Changes from May 2016

- Housing Benefit Family Premium abolished.

Changes from Autumn 2016

- Benefit Cap reduced.

Changes from April 2018

- This change will be introduced in April 2018. If you claim benefits that help with your rent payment, and your tenancy starts on or after 1st April 2016 you are likely to be affected.

Benefit and Tax Credit Rates Frozen

Most benefits and tax credits will be frozen for 4 years from April 2016.

Benefits which WON'T be frozen are:

- Pension Benefits
- Disability Benefits
- Personal Independence Payment
- Attendance Allowance
- Disability Living Allowance
- Employment and Support Allowance (support group only)
- Maternity Allowance
- Statutory Maternity
- Paternity Pay
- Statutory Sick Pay

What could it mean for you?

As the cost of living increases each year and your benefits stay the same, so the money you receive won't go as far.

Preparing for the changes

If you are affected by this change, here are some things you may wish to consider:

- Opening a bank account or a credit union account to help manage your money.
- Training to increase your skills to help with employment opportunities.
- Finding work to increase your income.
- Review your housing costs.
- Contacting an advice agency for guidance on managing your money.

National Living Wage

From 1st April 2016 there is a new National Living Wage for people 25 and over.

This will be set at £7.20 per hour; this is 50p an hour more than the National Minimum Wage. That's £925 a year more for someone working 37 hours per week Minimum Wage.

What could it mean for you?

If you're 25 or over you will earn more money. The 4 examples below show how much extra you can earn each year.



16 hours per week £5,760 per year £400 extra	25 hours per week £9,000 per year £625 extra
37 hours per week £13,320 per year £925 extra	40 hours per week £14,400 per year £1,000 extra

Preparing for the changes

If you are affected by this change, here are some things you may wish to consider:

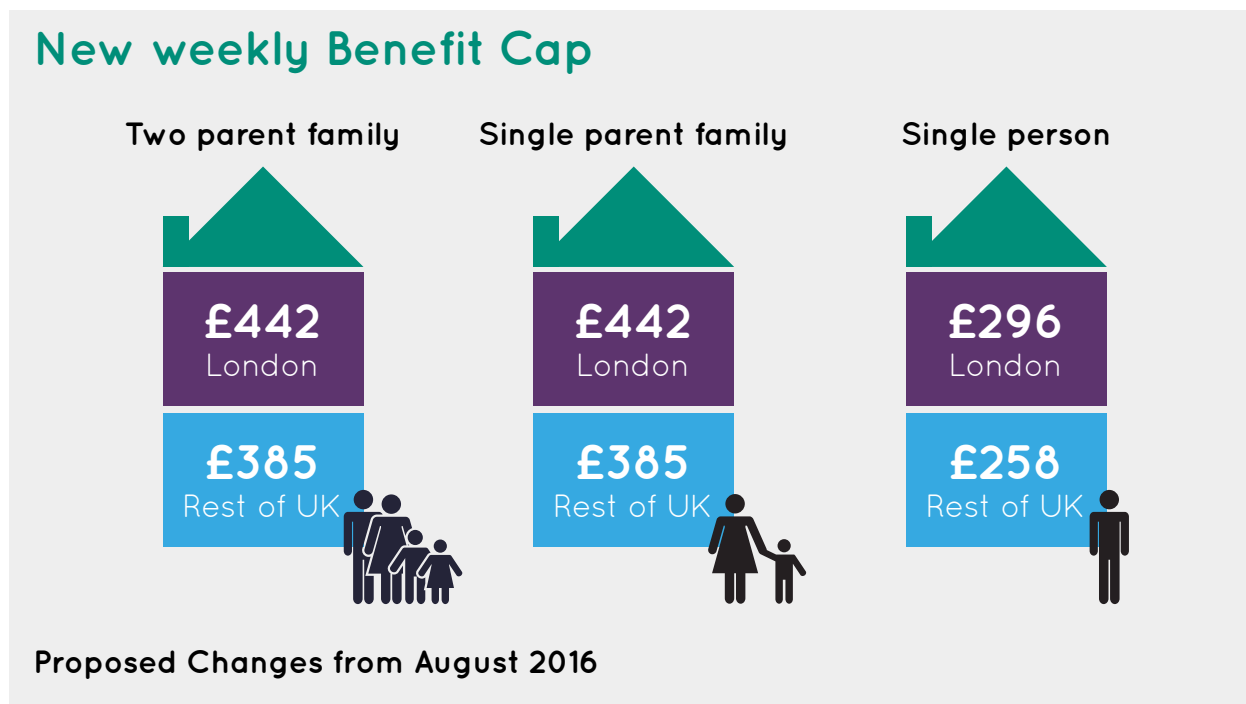
- Some benefits you receive may be reducing; the extra money from the National Living Wage may help with this.
- Saving the extra amount can help with bills or unexpected payments.
- For example: if the washing machine breaks, the car fails its MOT or the electricity bill is more than expected.



Benefit Cap Reduction

There is already a Benefit Cap in place, which limits the amount of benefits a working age household can receive.

The cap of £26,000 per year (£500 per week) will go down to £20,000 (£385 per week) for households living outside London in autumn 2016. Any household getting more than the cap will have their Housing Benefit reduced.



What could it mean for you?

The cap affects the housing element of your benefits. You may receive less housing benefit as the overall amount of benefit you can claim is reduced.

Preparing for the changes

If you are affected by this change, here are some things you may wish to consider:

- How much rent you pay now and your housing options.
- Can you find cheaper accommodation?
- Opening a bank account or a credit union account to help manage your money.
- Training to increase your skills to help with employment opportunities.
- Finding work to increase your income.
- Visiting the Department for Work and Pensions (DWP) website at gov.uk
- Contacting an advice agency for guidance on managing your money.



The Housing Benefit Family Premium

When you have one or more dependent children you receive a 'Family Premium' benefit of £17.45 per week included in your Housing Benefit. This benefit will be stopped for new claims and new births from 1st May 2016.

What could it mean for you?

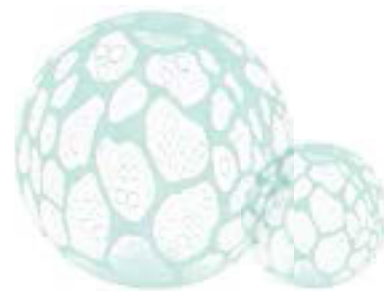
If you are already claiming Housing Benefit and have at least one dependent child you will keep the Family Premium. You will only be affected if you make a new claim for Housing Benefit or your circumstances change, for example, if you move outside your current council area.

If you are already claiming Housing Benefit and your first child is due after 1st May 2016, you will not get the family premium.

Preparing for the changes

If you are affected by this change, you may want to consider:

- Contacting an advice agency for guidance on managing your money.



Housing Benefit Backdating

Housing Benefit backdating rules are changing. New claims will only be backdated for a maximum of four weeks and not six months.

What could it mean for you?

If you don't claim your Housing Benefit within 4 weeks of moving to new accommodation you will lose the benefit for this period. This means you get in arrears right from the start of a new tenancy if you don't submit your claim promptly.



Preparing for the changes

If you are affected by this change, here are some things you may wish to consider:

- When moving to a new home make your claim to Housing Benefit ASAP.
- Make sure you provide all the right information to prevent any delays.

Universal Credit Work Allowance

The Work Allowance (which is the Universal Credit equivalent of Working Tax Credits) for non-disabled households without children was reduced to zero as of April 2016, and all other allowances simplified to a rate of £192 per month for households with housing costs and £397 per month for households without housing costs.

What could it mean for you?

The amount of Universal Credit you receive will gradually reduce as you earn more money, but unlike Job Seekers Allowance your payment won't just stop.



Examples:

Examples are for persons who are 25, and on the new National Living Wage of £7.20 per hour.

		Hours (Per Week)	Universal Credit (Payment)	Wages (Per Month)	Total (Per Month)	(Per Month)
Example 1	April 2015	16 Hours	£64.60	£500.57	£565.17	£64.60 reduction
	April 2016		£0.00	£500.57	£500.57	
	April 2015	30 Hours	£0.00	£895.72	£895.72	No change
	April 2016		£0.00	£895.72	£895.72	
Single person, no children, renting a 1 bedroom house (social housing)						
Example 2	April 2015	16 Hours	£245.67	£500.57	£746.24	£72.15 reduction
	April 2016		£173.52	£500.57	£674.09	
	April 2015	30 Hours	£0.00	£895.72	£895.72	No change
	April 2016		£0.00	£895.72	£895.72	
Couple, no children, renting a 1 bedroom house (social housing)						
Example 3	April 2015	16 Hours	£633.42	£500.57	£1,133.99	£161.67 reduction
	April 2016		£471.75	£500.57	£972.32	
	April 2015	30 Hours	£566.10	£895.72	£1,461.82	£256.85 reduction
	April 2016		£309.25	£895.72	£1,204.97	
Single person, 1 child, renting a 1 bedroom house (social housing)						
Example 4	April 2015	16 Hours	£775.97	£500.57	£1,276.54	£67.32 reduction
	April 2016		£708.65	£500.57	£1,209.22	
	April 2015	30 Hours	£542.15	£895.72	£1,437.87	£90.35 reduction
	April 2016		£451.80	£895.72	£1,347.52	
Couple, 1 child, renting a 1 bedroom house (social housing)						

All figures are approximate; please speak to a benefits advisor for a calculation based on your individual circumstances.

Restriction to Housing Benefit Rates

The Government Is Restricting The Amount Of Housing Benefit That A Household May Be Entitled To.

What could it mean for you?

If you start a social housing tenancy on, or after 1st April 2016, and claim benefits to help pay your rent, you are likely to be affected by this change. However, it will not be implemented until April 2018 and your benefit entitlement won't change until then.

Whilst this is some time off, it is important that you are aware that you will possibly see a cut in your future housing benefit entitlement.

The maximum amount that someone will be able to claim will be limited to what is known as the 'Local Housing Allowance' (LHA) rate. This is likely to be a problem if your rent is higher than the LHA rate.

So if your rent, for example, was £100 a week and you are in Heywood, a couple would get £84 in LHA and a single person under 35 would get £48.67 in LHA, this means you would then have to find the difference between your rent and the LHA rate. The table below details the current LHA amounts that can be claimed.

Date	Category	Heywood		Middleton		Rochdale and Pennines	
		Weekly	Monthly	Weekly	Monthly	Weekly	Monthly
Up to 31 March 2017	Single person under 35, shared rate	£48.67	£210.90	£67.20	£291.20	£55.90	£242.23
	1 bedroom	£84	£364	£101.98	£441.91	£83.91	£363.61
	2 bedroom	£98.96	£428.83	£119.98	£519.91	£97.81	£423.84
	3 bedroom	£114.84	£497.64	£133.32	£577.72	£113.92	£493.65
	4 bedroom	£143.83	£623.31	£186.47	£808.04	£149.59	£648.22

Note: Rates detailed are 2016/17 Local Housing Allowance Rates (1st April 2016 - 31st March 2017) and are for illustration purposes only.

Preparing for the changes

If you think you will be affected, here are some things you may wish to consider:

- How much rent you pay now and your housing options.
- Can you find cheaper accommodation?
- Opening a bank account or a credit union account to help manage your money.
- Training to increase your skills to help with employment opportunities.
- Finding work to increase your income.
- Visiting the Department for Work and Pensions (DWP) website at gov.uk
- Contacting an advice agency for guidance on managing your money.

Organisations That Could Help

Money advice

Citizens Advice

www.rochdalecab.org

T: 03444 889 622

from both landlines and mobiles. Also get advice on how to open a bank account.

Manchester Credit Union

www.manchestercreditunion.co.uk t:

0161 231 5222

The Money Advice Service

www.moneyadviceservice.org.uk

Turn2Us - access to financial help

www.turn2us.org.uk

National Debtline

www.nationaldebtline.co.uk

T: 0808 808 4000

PayPlan - debt advice

www.payplan.com

T: 0800 280 2816 / 0207 760 8980

Energy Saving Trust

www.energysavingtrust.org.uk

T: 0300 123 1234

Housing advice

Finding you a room to rent in a house share in Manchester

www.snugbughousesshare.co.uk

T: 0345 450 6670

Shelter - housing advice

www.england.shelter.org.uk

T: 0808 800 4444

Employment & training advice

Job Centre Plus

T: 0845 604 3719

Hopwood Hall College

- Free managing your money sessions
- Community learning programme for people out of work

T: 0161 643 7560 ext 3251 or 3413

E: communitylearning@hopwood.co.uk

Employment links

T: 01706 646471

National Careers Service

www.direct.gov.uk/

nationalcareersservice

T: 0800 100 900

Other Organisations

Department for Work & Pensions
gov.uk

Get More Help

Rochdale Borough Council

T: 0845 121 2970

rochdale.gov.uk/welfarereforms

You can get free internet access at your local library.