housing21

Benefit changes, **are you ready?**

...things are changing from **April 2013**

Benefit changes **are you ready?**

Starting in **April 2013** the government is introducing some big changes to the benefit system as part of the Welfare Reform Act.

We are committed to keeping you up-to-date with what these changes are as they happen and helping you to understand how and if they will affect you. We will also do our best to help support you through any changes.

You may already have read the articles on the Welfare Reform Act published in *My Time*, Housing 21's customer magazine, and its supplement *My Money*. This leaflet is to give you the latest information, hot off the press...

Welfare reform calendar

Introduction of **Housing Benefit** Size Criteria in the social rented sector.

Benefit Cap introduced in London Boroughs of Bromley, Croydon, Enfield and Haringey.

Council Tax Benefit changes begin.

Introduction of **Personal Independence Payment** (PIP) – replacement for Disability Living Allowance (DLA) for new claimants in North West and North East England.

Introduction of **Universal Credit** for new claimants in local authority areas of Tameside, Oldham, Wigan and Warrington.

Introduction of **Personal Independence Payment** for new claimants in the rest of the country.

SUMMER 2013

Introduction of Benefit Cap in the rest of the country.

OCTOBER 2013

National introduction of Universal Credit for new claimants. This will be a gradual introduction and those people currently claiming in work benefits will not start to be affected until 2014.

OCTOBER 2013

Start of reassessment of some current DLA awards for assessment under new PIP qualifying criteria. This will initially only be people on fixed term awards of DLA and those people who report a change in their circumstances.

APRIL 2014

Start of transition from existing working age means tested benefits and tax credits to Universal Credit. Priority will be given to claimants who will benefit from the move to Universal Credit.

OCTOBER 2015

All remaining DLA claimants aged 16 to 64 will start to be reassessed under new PIP qualifying criteria.

DECEMBER 2017

Transfer to Universal Credit for all claimants of a working age will be completed.

SPRING 2018

Transition from DLA to PIP for claimants aged 16 to 64 will be completed.

DECEMBER 2018

State Pension age for both men and women will start to increase.

OCTOBER 2020

State Pension age for both men and women will be 66.

April 2013 – Pension Credit and Welfare Reform

Pension Credit has emerged relatively unscathed from the raft of changes to the benefit system that have been or will be implemented because of the **Welfare Reform Act.**

The qualifying start date for a Pension Credit claim is already changing in line with the age at which women are able to claim their State Pension. This change to the qualifying age affects people born between 1951 and 1954.

If you were born before 6 May 1951, you will have already reached Pension Credit qualifying age. Anyone born after 6 September 1954 will not reach the qualifying age until their 66th birthday at the earliest, and people born between those dates will have a qualifying age dependent on their actual birth date.

How will these changes affect me?

For single people this is relatively straightforward but for a couple wanting to claim Pension Credit, Welfare Reform could have a severe impact on the date from which they may claim, if a claim is not already in place by April 2013.

Currently, rules for Pension Credit allow for the qualifying age to be that of the older member of a couple. This means that where one person is under the qualifying age but the other has already reached it, the Pension Credit can be paid to the couple as if they were both retired, providing they meet the income and capital criteria.

What is the biggest change?

From April 2013, the biggest change is in the qualifying age for a couple. This will now be decided by the age of the youngest member. This change will not affect people already getting Pension Credit – they will continue to be entitled to it and to any other benefits (like Housing and Council Tax Benefits) that are being paid via the 'passport effect' Pension Credit can have.

What will the change from oldest to youngest mean?

For couples, this swing from oldest to youngest may mean a significantly longer wait for a couple to reach the stage where they can claim Pension Credit, and one or both of them could be required to 'sign on' and look for work or to fulfil the strict qualifying criteria for Employment and Support Allowance.

What advice would you give?

If there is any possibility that Pension Credit may be payable to a couple where both are not already over Pension Credit qualifying age, then a claim should be made without delay.

Example:

Mr Robertson is 62 and is already over the Pension Credit qualifying age. His wife is 57 and won't reach the qualifying age until her 66th birthday in 9 years time. Both are in good health.

They have no income and would be entitled to Pension Credit guarantee credit of £217.90 a week and maximum Housing and Council Tax Benefits if they were to make a claim before April 2013.

However, if they do not make the claim in time, they would then have to claim income related Jobseekers Allowance and although this would pay them the same weekly amount and entitle them to the same Housing and Council Tax Benefits, payment would be dependent on them both signing on at the Job Centre and they would both be required to seek work.

More information...

Visit the **www.gov.uk** website or **www.dwp.gov.uk** or telephone The Pension Service on **0845 60 60 2 65**.

1 April – Housing Benefit changes

What is the 'bedroom tax'?

This refers to the introduction of the social sector size criteria. The social sector size criteria will see Housing Benefit restricted for people living in the social rented sector where it is deemed they have more bedrooms than they need.

What do you mean by social rented housing?

Social rented housing is housing that is generally provided by councils and not-for-profit organisations such as housing associations.

How will this affect me?

If you live in social rented housing and you are over Pension Credit qualifying age, this won't affect you. This change only applies to **people of a working age**.

However, even if you haven't yet reached Pension Credit qualifying age, if you live in accommodation provided by a housing association where the housing association, or someone acting on its behalf, also provides more than a minimal level of care, support or supervision, you should still be exempt from these restrictions.

Most sheltered and extra care housing will be exempt from the restrictions even if you haven't yet reached Pension Credit qualifying age.

More information...

If you need any further information regarding Housing Benefit entitlement you should contact the Housing Benefit Department at your local council.

1 April – Council Tax Benefit is changing

What are these changes?

The government has decided that local councils will now set the rules for how Council Tax Benefit is administered and calculated. From 1 April 2013 each local council is responsible for the design and delivery of their own Council Tax system. This will mean that the calculation process for Council Tax and the assessment procedures for Council Tax Benefit will vary from council to council.

I am over Pension Credit qualifying age, will I be affected?

No. Local councils will not be making any cuts to Council Tax Benefit for people over Pension Credit qualifying age, so you won't be affected by these changes.

I am under Pension Credit qualifying age, will I be affected?

Possibly. If you haven't yet reached Pension Credit qualifying age and currently get Council Tax Benefit, then you may be affected, as the amount of Council Tax Benefit you get could be cut. If this happens you will have to pay more towards your Council Tax Bill.

More information…

If you haven't yet reached Pension Credit qualifying age and want to know if and how you will be affected by these changes, you will need to contact your own local council to discuss this.

8 April – June 2013

Introduction of the Personal Independence Payment (Disability Living Allowance reformed)

At present people below 65 who have a disability may be entitled to claim Disability Living Allowance (DLA). DLA is a benefit intended to help with the extra costs of living with a disability. It is not affected by income and savings.

When is DLA changing?

8 April 2013 will see the introduction of a new benefit – the Personal Independence Payment (PIP). The new benefit will be phased in to gradually replace DLA.

The new regulations state that those people already receiving DLA who are 65 or over by 8 April 2013 will not be invited to claim PIP and will continue to receive DLA.

In April 2013, PIP will initially be introduced to a controlled area in the North East and West. New claims in the control area will be assessed under the PIP rules.

From June 2013, this practice will be rolled out nationally so that all new claims will be for PIP.

Starting in October 2013 there will follow a phased transfer to the new benefit for people who are already getting DLA.

How will this affect me?

Those reporting a change in their condition will have their entitlement reassessed using the new system. This will happen at the time the change is notified to the DWP.

If you have a fixed term award for DLA, you will be invited to claim PIP toward the end of the DLA award period. You will have 28 days to do this. If you don't make a claim for PIP within this time, your DLA will be suspended.

People with 'indefinite' awards who have no change in their condition will not have their claims reassessed until Oct 2015 at the earliest.

What happens next?

The DWP will be sending explanatory information about PIP to everyone who is getting DLA. This will be sent at the same time as the notifications about the benefit increases due in April this year and should be received during February – in fact you may already have had this.

What is the difference between DLA and PIP?

There are differences in the assessment procedures and structure of the payments of DLA and PIP, as follows:

- DLA consists of two components, mobility and care. The mobility component has two levels and the care component has three. One level of either or both components may be awarded.
- PIP will also have two components, mobility and daily living. There will be two levels of each, a standard and an enhanced rate. There is no equivalent to the DLA lowest rate care component. A person claiming PIP may qualify for one of the levels of either or both components but the qualification criteria are not the same as those for DLA, so it doesn't follow that people getting DLA will necessarily fulfil the qualifying criteria for an award of PIP to be made.

More information...

Further information about the Personal Independence Payment can be obtained from the Benefit Enquiry Line at **0800 882 200** or the Disability and Carers Service on **08457 123 456**.

29 April 2013 – the introduction of Universal Credit

What is Universal Credit?

Universal Credit is a brand new benefit that will replace all tax credits and means-tested benefits (with the exception of Council Tax Benefit) for people of a working age.

Universal Credit will replace the following:

- Working Tax Credit
- Child Tax Credit
- Income Support
- Income based Jobseekers Allowance
- Income related Employment and Support Allowance
- Housing Benefit

Instead of receiving the benefits listed above as separate benefits, they will be combined into one payment under Universal Credit. Universal Credit will be paid monthly in arrears.

When and where is this happening?

Universal Credit will be introduced in April but only in certain parts of the country. It will be first introduced in the areas of Tameside, Oldham, Wigan and Warrington.

From April, people living in these areas who would normally have made a new claim for one of the benefits listed, will have to claim Universal Credit. If you're already receiving any of these benefits, you will continue to do so.

The plan is to introduce Universal Credit nationally for all new claimants in October 2013.

Assuming everything goes to plan, between April 2014 and December 2017, all claimants receiving any of the benefits listed will be transferred to Universal Credit. This means it could be several years before you transfer to Universal Credit.

More information...

The Department for Work and Pensions or HM Revenue and Customs will contact you when your claim is due to be converted.

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